HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
NOVEMBER 18, 2015
APPLICATION SUMMARY

NAME OF PROJECT:	Sumner Regional Medical Center (Summer Station Campus)
PROJECT NUMBER:	CN1508-029
ADDRESS:	225 Big Station Camp Boulevard Gallatin (County), TN 37066
LEGAL OWNER:	Sumner Regional Medical Center, LLC 330 Seven Springs Way Brentwood, TN 37027
OPERATING ENTITY:	Not Applicable
CONTACT PERSON:	Michael Herman (615) 328-6695
DATE FILED:	August 14, 2015
PROJECT COST:	$7,081,754.00 (revised)
FINANCING:	Cash Reserves
PURPOSE FOR FILING:	Establishment of a satellite emergency facility with 5 treatment rooms

DESCRIPTION:

Sumner Regional Medical Center (SRMC), a 155 licensed bed acute care hospital, is seeking approval for the establishment of a 5 room 10,210 SF satellite Emergency Department (ED) 6.9 miles west of the main campus. The satellite ED is planned to be located at its existing outpatient campus, known as "Summer Station", located at 225 Big Station Camp Boulevard, Gallatin (Sumner County), Tennessee. The proposed satellite ED will be a full-service, 24-hour, physician staffed satellite facility providing the same full-time emergency and diagnostic and treatment services as the main hospital. 24/7 imaging services will be provided by SRMC's on-site full-service imaging center. The proposed satellite ED service will be operated as a department of Sumner Regional Medical Center.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

Note to Agency members: There are currently no standards and criteria in the State Health Plan specific to emergency departments.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

For renovation or expansion of an existing licensed healthcare institution:

a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

The applicant indicates in the next 5 years population growth in SRMC's proposed 2 zip code service area will generate demand for an additional 5,157 ED visits, from 21,147 in 2015 (annualized) to 26,304 in 2020. The applicant refers to an American College of Emergency Physician standard of 1,500 visits per treatment room and calculates the need for 3.43 additional treatments rooms from 26 in 2015 to 30 in 2020.

Note to Agency members: According to the publication: "Emergency Department Design: A Practical Guide to Planning, 2002, American College of Emergency Physicians" the guideline of 1,500 visits/bed is one of 15 low range limits to determine bed quantities in relation to projected annual visits and department gross area. The ACEP assigns the low range of 1,500 visits per bed as a guideline for an emergency department with a department gross area ranging from 17,500 dgsf to 22,750 dsgf, treatment beds ranging from 20 to 26, 30,000 ED visits projected annually. The guideline varies for each increment of 10,000 ED visits.

According to 2013 data from the Hospital Discharge Data Survey (HDDS) maintained by the Department of Health, SRMC was the highest provider of ED visits originating from the proposed 2-ZIP Code service area with 17,846 visits, a 44.1% market share. Additionally further review of the HDDS indicated TriStar Hendersonville Medical Center (Sumner County) was the 2nd highest provider of emergency care for the 2 ZIP code service area in 2013 by providing 15,901 of the 40,438 ED visits in 2013, or 39.3%. Data from the Hospital Discharge Data Survey (HDDS) appears to include ED patients treated and released, but does not include patients admitted as inpatients.

There are currently no criteria and standards specific to satellite emergency departments in the service area.

Based upon these general criteria for construction, renovation, and expansion, it appears that this criterion has been met.

b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

Renovation and expansion of the existing emergency department at Sumner Regional Medical Center is not a more viable option than the proposed satellite ED. The emergency department at SRMC is located in a basement area, and due to facility layout, is unable to expand.

Note to Agency members: The expansion of the ED at the proposed satellite ED site in the 37066 zip code community of Gallatin, TN is located approximately 6.9 miles from the main hospital campus.

Emergency Department Design: A Practical Guide to Planning, 2002, American College of Emergency Physicians-High and Low Estimates for dept. areas and beds							
Projected Annual Visit	***Dept. Gross Area***		***Bed Quantities***				
	Low Range	*High Range*	*Low Range Bed Qty.*	*Low Range Visits/Bed*	*High Range Bed Qty.*	*High Range Visits/Bed*	*Estimated Area /Bed*
10,000	*7,200 dgsf*	*9,900 dgsf*	*8*	*1,250*	*11*	*909*	*900 dsgf/bed*
Applicant-Sumner Regional Medical Center Satellite ED							
Projected Visits Yr. 2	*Total Square Footage*		*Beds*		*Visits Per Bed*		*Estimated Area /Bed*
5,992	*10,210*		*5*		*1198.4*		*2,042 dsgf/bed*

Source: Emergency Department Design: A Practical Guide to Planning, 2002, American College of Emergency Physicians, Page 71, Figure 6.5. and CN1508-031.

Note to Agency Members: The above chart outlines the American College of Emergency Medicine (ACEP) latest Guidelines for high and low estimates for emergency department areas and beds. The applicant's proposed 5 bed satellite ED as compared to the latest ACEP guidelines based on 10,000 annual ED visits reflect the following:

- ***The proposed Satellite Emergency Department square footage of 10,210 is above the high range of 9,900 department gross square footage (dgsf) area for an emergency ED.***

- ***The applicant's projected annual visits of 1,198.4 per bed in Year 2 based on 5,992 ED visits is slightly below the ACEP's low range of 1,250 visits per bed.***
- ***The applicant's estimated area/bed of 2,042 dsgf is above the 900 dsgf/bed by ACEP guidelines.***

In January 2015 a revised publication of the Emergency Department Design: A Practical Guide to Planning is planned to be released. The publication will have a section dedicated to freestanding emergency departments.

There are currently no criteria and standards specific to satellite emergency departments in the service area.

Based upon these general criteria for construction, renovation, and expansion, it appears that this criterion has been met.

Staff Summary

The following information is a summary of the original application and all supplemental responses. Any staff comments or notes, if applicable, will be in bold italics.

The applicant seeks approval to initiate satellite ED services in an existing 7 year old building located on SRMC's 24.6 acre outpatient campus at 225 Big Station Camp Boulevard, Gallatin (County), TN. SRMC proposes to provide full service emergency care 24 hours-a-day, 7 days a week, to adult and pediatric patients who seek emergency services in the zip codes of 37066 and 37075 located in Sumner County. In Year One the applicant plans to begin with 4 ED treatment rooms, and add an additional treatment room as demand increases. If needed, SRMC will convert existing adjoining office space to an ED treatment/exam room in Year 2. Please refer to the zip code service area maps in Attachment B, III. (B).1 on page 85 of the original application for more detailed information.

The Sumner Regional Hospital Sumner Station campus consists of the following:

Current

- A full-time imaging center that includes x-ray, ultrasound, CT, MRI, and other imaging services.
- An OT/PT speech practice, a pediatrics practice, a family practice office, and a Sports Medicine practice.

Future

- Two outstanding projects by SRMC for the relocation of the hospital's radiation oncology program from the main SRMC campus (CN1408-036A approved at the October 22, 2014 Agency meeting) and the relocation of the hospital's Medical Oncology Program which includes PET/CT services (CN1409-041A approved during the December 17, 2014 Agency meeting).
- Projects status updates of CN1408-036A and CN1409-041A are located at the end of this summary.

The applicant plans to use the adjacent imaging center for emergent patient services. However, an additional portable x-ray will be included adjacent to the patient treatment rooms.

The hospital's total licensed bed complement consists of 155 licensed hospital beds as follows: 90 medical, 15 obstetrical, 18 ICU/CCU, 20 rehabilitation and 12 inpatient geriatric psychiatric beds. Although all of the licensed beds are presently staffed, review of the Joint Annual Report revealed that 133 beds were staffed in calendar year (CY) 2013. Based on 32,682 total inpatient days, SRMC's

licensed and staffed hospital bed occupancy was 57.8% and 67.3%, respectively, during the period. According to the Department of Health and pertaining to the Joint Annual Reports, the following defines the two bed categories:

Licensed Beds- The maximum number of beds authorized by the appropriate state licensing (certifying) agency or regulated by a federal agency. This figure is broken down into adult and pediatric beds and licensed bassinets (neonatal intensive or intermediate care bassinets).

Staffed Beds-The total number of adult and pediatric beds set up, staffed and in use at the end of the reporting period. This number should be less than or equal to the number of licensed beds.

An overview of the project is provided on pages 7-9 of the original application. If approved, the satellite emergency department is projected to open in July 2017.

Ownership

- Sumner Regional Medical Center (SRMC) is owned by LifePoint Hospitals, Inc.
- LifePoint operates a total of 63 hospitals in 20 states, including 10 hospitals in Tennessee.
- Attachment A.4 contains an organizational chart and a list of facilities owned by LifePoint Hospitals, Inc.

Facility Information

- The applicant will renovate space that is two stories high that is currently used as an indoor basketball court. The proposed satellite ED will be located on the 1st floor, and a newly created 2nd floor above the ED will consist of two medical office suites.
- The proposed ED will contain a lab, 4 treatment and exam rooms which includes 1 trauma room, nurses station, triage area, waiting area, consultation area, and an adjoining office to treatment room #2 that will possibly be converted to an additional treatment/exam room in Year 2.
- Besides the clinical treatment areas, the facility will include support spaces, a staff lounge, offices, waiting area, and a canopied ambulance entry for Emergency Medical Services (EMS).
- If necessary, 735 SF of shelled expansion space will be available for the future addition of four ED treatment rooms.
- The total square footage of the proposed renovation project is 10,210 square feet. A floor plan drawing is included in Attachment B.IV.
- Per Supplemental One, the proposed satellite ED will not include a helipad.

- 24/7 EMS ground ambulance services are located within one mile of the applicant for expedited acute care patient transport.
- The proposed satellite ED will be located on a 24.57-acre tract of land. A plot plan is included in Attachment B. III. (A).

Project Need

The rationale for this project provided by the applicant includes the following:

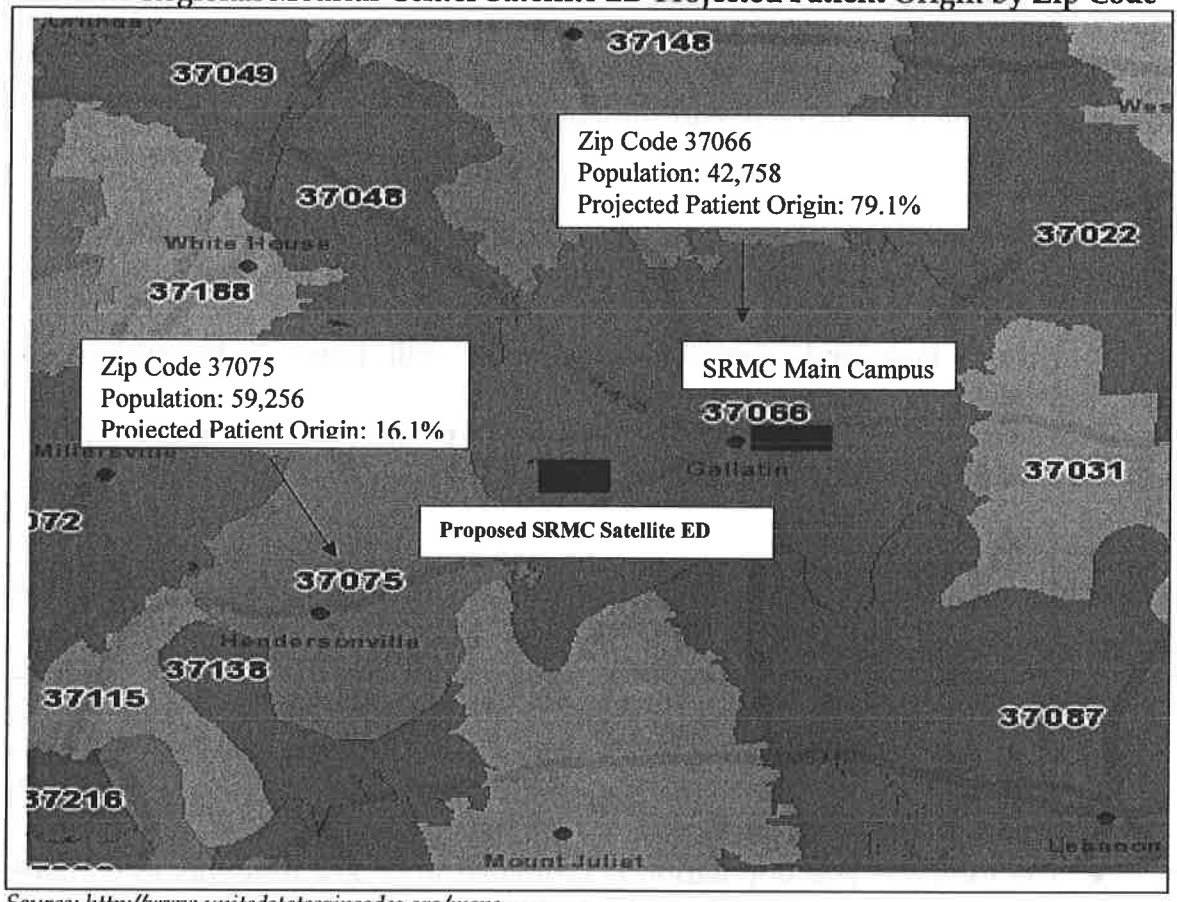
- SRMC is unable to expand ED services at the main hospital due to the facility layout.
- Patient flow and operational efficiency will improve by adding ED capacity.
- The patient experience and outcomes will positively increase as a result of shorter drive times and ED wait times.

Primary Service Area

The declared service area of SRMC's satellite emergency department is Sumner County.

- The total population of Sumner County is estimated at 175,054 residents in calendar year CY 2015 increasing by approximately 6.3% to 186,146 residents in CY 2019.
- The total population of the state of Tennessee is expected to grow 3.7% from CY2015 to CY2019.
- The total 65+ age population is estimated at 26,272 residents in CY 2015 increasing approximately 17.4% to 30,856 residents in 2019 compared to a statewide change of 12.0% during this time period.
- The age 65 and older population accounts for approximately 15.0% of the total service area population compared to 15.2% statewide.
- The applicant estimates that approximately 16.4% of County residents are enrolled in TennCare compared to 21.8% statewide.

Sumner Regional Medical Center Satellite ED Projected Patient Origin by Zip Code



Source: http://www.unitedstateszipcodes.org/maps

The above map of the Sumner Medical Center Satellite ED projected Year One patient origin by zip code reflects the following:

- The applicant is proposing to establish a satellite emergency department physically located in Zip Code 37066.
- Zip code 37066 (Gallatin, TN) has the highest projected patient origin of 4,500 patients, or 79.1%.
- Zip Code 37075 (Hendersonville, TN) has the second highest projected patient origin of 919 patients, or 16.1%.
- The total 2 zip codes above represent 5,419 ED visits (projected 2017-Year One).

Sumner Medical Center
Demographic Characteristics of the proposed ED 2 Zip Code Service Area and Existing 1 County Service Area

	37066 Gallatin, TN (location of proposed ED)	37075 Hendersonville, TN	Sumner County	Tennessee
Applicant's Patient Origin	**54.6%**	**3.0%**	**N/A**	**N/A**
Population	**42,758**	59,256	160,645	6,346,105
Population Growth since 2000	**25.2%**	21.5%	23.15%	11.54%
Population Density/Sq. mile	**355**	911.73	296.73	151
Median Household Income	**$49,845**	$64,117	$55,560	$44,140
TennCare *(Emergency Dept. 2013 Payor Mix)	**35.5%**	25.3%	30.8%	N/A
Medicare *(Emergency Dept. 2013 Payor Mix)	**17.8%**	17.9%	17.8%	N/A
Private Insurance *(Emergency Dept. 2013 Payor Mix)	**27%**	40.5%	32.9%	N/A
Median Home Price	**$171,800**	$208,500	$175,500	$138,700
Population in Poverty	**12.7%**	8.1%	9.8%	1,069,017 (17.3%)
White	**81.5%**	89.2%	88.9%	4,921,948 (77.6%)
Black	**12.3%**	5.9%	6.4%	1,057,315 (16.7%)
Hispanic	**6.3%**	3.4%	3.9%	290,059 (4.57%)
Asian	**0.67%**	1.6%	1.02%	91,242 (1.44%)

Source: usa.com

The table below identifies ED visits in 2013 at Tennessee hospitals by residents of the 2-zip code primary service area (PSA) based on data from the TDH hospital discharge data system.

Hospital ED Utilization by Residents of Applicant's Proposed 2-Zip Code PSA, 2013
Ranked by Service Area Dependence

Hospital ED	County	37066	37075	*Total Resident ED Visits 2013	Hospital Market Share in Service Area
Sumner Regional Medical Center	Sumner	16,922	924	17,846	44.1%
TriStar Hendersonville Medical Center	Sumner	3,167	12,734	15,901	39.3%
Vanderbilt University Hospitals	Davidson	801	1,487	2,288	5.6%
TriStar Skyline Medical Center	Davidson	403	1,112	1,515	3.7%
Other Hospitals (less than 2% market share)	N/A	1,170	1,718	2,888	7.1%
Total		22,463	17,975	40,438	

Source: HDDS limited to CPT Codes 99281-99285. It appears that patients residing in the ZIP codes going to EDs out-of-state are also excluded and the data includes only patients treated and released.
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The table above reflects the following:

- There were 40,438 total ED visits by residents of the 2 zip code PSA at Tennessee hospitals in 2013.
- Hospital EDs used the most by residents of the 2 zip code PSA in 2013 included: Sumner Medical Center (44.1% of 40,438 total PSA resident visits) and TriStar Hendersonville Medical Center (39.3% of 40,438 total PSA resident visits).
- If approved, the applicant estimates that residents of the 2 zip code PSA could have approximately 5,789 ED visits at the proposed satellite ED in Year 1. This calculates to approximately 14.3% of the total 40,438 ED visits in the 2 zip code service area in 2013.
- In Zip Code 37066 Sumner Regional Medical Center provided 16,922 ED visits representing 75.3% of the total ED visits originating from this ZIP

Code in 2013, while TriStar Hendersonville Medical Center provided 3,167 ED visits representing 14.1% of the total ED visits originating from this ZIP Code.

- In Zip Code 37075 Sumner Regional Medical Center provided 924 ED visits representing 5.1% of the total ED visits originating from this ZIP Code in 2013, while TriStar Hendersonville Medical Center provided 12,734 ED visits representing 70.8% of the total ED visits originating from this ZIP Code.

Comparative Analysis: 2 ZIP Code Service Area Patient Origin Dependence: SRMC Main ED (2013) vs. SRMC Satellite ED (Projected Year 1)

SRMC Main ED Dept. Patient Origin				SRMC Satellite ED Projection		
Zip Code	**2014**	**% ED Visits from Zip Code (s) Total**		**Zip Code**	**Yr. 1 2017**	**% of total**
37066	20,293	54.6%		**37066**	4,500	79.1%
37075	1,105	3.0%		**37075**	919	16.1%
Sub-Total	**21,398**	**57.6%**		**Subtotal PSA**	**5,419**	**95.2%**
Other	15,749	42.4%		(other <5%)	271	4.8%
Total	37,147			Total	*5,690	

Source: Source: HDDS limited to CPT Codes 99281-99285. It appears that patients residing in the ZIP codes going to EDs out-of-state are also excluded and the data includes only patients treated and released.
CN1508-029
**Figure is based on a calendar year*

- According to SRMC Hospital's 2014 ED Patient Origin by Zip Code, approximately 57.6%, or 21,398 ED patients resided in the 2 zip codes identified in the preceding table. Conversely, 42.4% of SRMC's ED visits were from individuals not residing in the 2 ZIP code region.
- Approximately 95.2% of the proposed satellite ED utilization will come from zip codes 37066 and 37075.
- The proposed Satellite ED two zip code projected visits of 5,419 in Year One (2017) will represent 25.2% of the two zip code SRMC main ED visits of 21,398 in 2013.

SRMC's top Tennessee ZIP codes regarding resident ER visits are displayed in the table below:

SRMC's 2013 ER Encounters, Ranked by Resident Tennessee ZIP Codes

Resident ZIP Code	ER Encounters	%Total	Cumulative %Total
37066-Gallatin	**16,922**	**52.1%**	**52.1.0%**
37148-Portland	5,339	16.4%	68.5%
37186-Westmoreland	2,592	8%	76.5%
37022-Bethpage	1,541	4.8%	81.3%
37083-Lafayette	1,028	3.2%	84.4%
37075-Hendersonville	**924**	**2.84%**	**87.2%**
37031-Centerville	915	2.81%	90.1%
37074-Hartsville	646	2.0%	92%
37048-Cottontown	484	1.5%	93.5%
37087-Lebanon	385	1.2%	94.7%
Other Zip Codes*	1,714	5.3%	100.0%
Total	32,490	100.0%	100.0%

Source: HDDS limited to CPT Codes 99281-99285. It appears that patients residing in the ZIP codes going to EDs out-of-state are also excluded and the data includes only patients treated and released.

- Based on the chart above SRMC's top ten ZIP Codes account for over 94% of ED visits in 2013.
- Two of the ten top ZIP Codes (highlighted in bold in the table) are in the applicant's proposed ZIP Code service area for the satellite ED.

Historical and Projected Utilization

SRMC Historical and Projected ED Utilization

	Actual (by levels of care)			Projected (by levels of care)				
	2012	2013	2014	2015	2016	Yr. 1 2017	Yr. 2 2018	2020
Main ED Visits	37,404	38,406	37,147	37,838	39,162	34,843	36,063	38,631
Main Campus ED Rooms	23	23	26	26	26	26	26	26
***Main Campus ED Visits/ Room**	**1,626**	**1,670**	**1,429**	**1,455**	**1,506**	**1,340**	**1,387**	**1,486**
Satellite ED Visits						5,690	5,889	6,308
Satellite ED Rooms						4	5	5
*Satellite ED Visits Per Room						1,422	1,178	1,262
Total Visits	**37,404**	**38,406**	**31,147**	**37,838**	**39,162**	**40,533**	**41,952**	**44,940**
Total Rooms	**23**	**23**	**40**	**26**	**26**	**30**	**31**	**31**
Total Visits Per Room	**1,626**	**1,670**	**1,429**	**1,455**	**1,506**	**1,351**	**1,353**	**1,450**

Source: CN1508-029

The utilization table above reflects the following:

- The applicant added 3 ED treatment rooms in 2014.
- There was a 0.68% decrease in ED patient visits at SRMC from 37,404 in 2012 to 37,147 in 2014.
- The applicant projects an increase of 3.5% in Satellite ED patient visits from 5,690 in Year 1 (2017) to 5,889 in Year Two (2018).
- Combined the applicant projects an increase of 3.5% in ED visits from 40,533 in 2017 to 41,952 in 2018.

- In Year One of the proposed project, SRMC's main ED will experience 34,843 emergency ED visits, averaging 1,340 per ED room; the proposed satellite ED will experience 5,690 (annualized) emergency ED visits, averaging 1,422 ED visits per room; and combined total ED visits will total 40,533 averaging 1,351 visits per room.
- In Year 2020 the applicant projects 1,486 emergency visits per room at the main campus, and 1,262 emergency visits per room at the proposed satellite ED.

The table below reflects the following:

- Approximately 39.8% of the proposed satellite ED and main ED visits in 2017 (Year One) are expected to be recorded as Levels 1, 2, and 3 which are patients with lower acuity levels and less severe conditions than the more severe and complex patient conditions of Level 4 and 5.
- Level 1 represents non-urgent (needs treatment when time permits); Level 2 semi-urgent (non-life threatening); Level 3 Urgent (non-life threatening); Level 4 Emergency, (could become life threatening); and Level V (immediate, life threatening).

SRMC Historical and Projected ER Utilization by Levels of Care

					Satellite Yr. 1	Satellite Yr. 2
	2013	2014	2015	2016	2017	2018
Main ED						
Level I	1,801	1,480	1,508	1,561	1,413	1,462
Level II	1,991	1,673	1,704	1,764	1,597	1,653
Level III	12,108	11,657	11,874	12,290	11,126	11,515
Level IV	11,694	11,525	11,739	12,150	10,999	11,384
Level V	10,809	10,812	11,013	11,398	10,318	10,680
Sub Total	**38,403**	**37,147**	**37,838**	**39,162**	**35,453**	**36,694**
Satellite ED						
Level I					231	239
Level II					261	270
Level III					1,817	1,880
Level IV					1,796	1,859
Level V					1,685	1,774
Subtotal					5,789	5,992
Total Combined ED's					**41,242**	**42,686**

Source: CN1508-029 Supplemental #1

Project Cost

Major costs are:

- Construction Cost (including contingency), $3,234,000, or 45.6% of the total cost.
- Facility-$1,475,179, 20.8% of total cost.
- Moveable Equipment-$1,227,697, or 17.3% of total cost
- For other details on Project Cost, see the Project Cost Chart on page 30 of the application.

The total renovation cost for the proposed hospital ED is $288 per square foot. As reflected in the table below, the renovation cost is between the median cost per square foot of $192.46 and the the 3rd quartile between costs of $297.82 per square foot of statewide hospital construction projects from 2012 to 2014.

Statewide
Hospital Construction Cost Per Square Foot
Years 2012-2014

	Renovated Construction	New Construction	Total construction
1st Quartile	$110.98/sq. ft.	$224.09/sq. ft.	$156.78/sq. ft.
Median	$192.46/sq. ft.	$259.66/sq. ft.	$227.88/sq. ft.
3rd Quartile	$297.82/sq. ft.	$296.52/sq. ft.	$298.66/sq. ft.

Source: HSDA Applicant's Toolbox

Please refer to the square footage and cost per square footage chart on page 11 of the application for more details.

Historical Data Chart

Sumner Medical Center Hospital Emergency Department

- According to the Historical Data Chart the SRMC Emergency Department experienced profitable net operating income results for the three most recent years reported: $9,781,000 for 2012; $10,193,000 for 2013; and $10,229,000 for 2014.
- Average Annual Net Operating Income less capital expenditures (NOI) was favorable at approximately 46.0% of annual net operating revenue for the year 2014.

Regional Medical Center

- According to the Historical Data Chart, SRMC experienced profitable net operating income results for each of the three most recent years reported: $4,138,540 for 2012; $7,665,862 for 2013; and $2,182,118 for 2014.

- Average Annual Net Operating Income less capital expenditures (NOI) was favorable at approximately 1.8% of annual net operating revenue for the year 2014.

Projected Data Chart (Proposed Satellite ER)

The applicant projects $18,223,000.00 in total gross revenue on 5,789 ED visits during the first year of operation and $19,145,000 on 5,992 ED visits in Year Two (approximately $3,195 per visit). The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal $987,000 in Year One increasing to $1,043,000 in Year Two.
- Net operating revenue after bad debt, charity care, and contractual adjustments is expected to reach $3,596,000 or approximately 18.8% of total gross revenue in Year Two.
- Charity Care calculates to 38.1 ED visits in Year One and 40.7 ED visits in Year Two.

Sumner Consolidated Emergency Department

- Net operating income less capital expenditures for the applicant will equal $9,549,000 in Year One increasing to $10,015,000 in Year Two.
- For additional information, please refer to the financial section of the original application.

Regional Medical Center

- The applicant projects $674,323,000.00 in total gross revenue on 18,018 patient admissions during the first year of operation (2017) and $701,224,000 on 18,739 patient days in Year Two (2018) (approximately $37,422 per admission).
- Net operating income less capital expenditures for SRMC will equal $5,269,000 in Year 2017 slightly decreasing to $5,264,000 in Year 2018.

Charges

In Year One of the proposed project, the average emergency room charges are as follows:

- The proposed average gross charge is $3,148.00/ ED visit in 2017.
- The average deduction is $2,553.00/ED visit, producing an average net charge of $595.00/ED visit.

Medicare/TennCare Payor Mix

- TennCare- Charges will equal $4,261,672 in Year One representing 23.4% of total gross revenue.

- Medicare- Charges will equal $5,368,635 in Year One representing 29.5% of total gross revenue.

Staffing

The applicant's proposed direct patient care staffing in Year One includes the following:

Position Type	FTEs
Lab	5.2
Nursing and Respiratory Therapy	24.1
Imaging	4.2
Registration	4.2
Physician	4.2
Total	**41.9**

Source: CN1508-029

Financing

- A letter dated August 6, 2015 from the CFO of the parent company confirms that LifePoint Hospitals has the cash reserves to fund the estimated capital outlay required for start-up of the applicant's proposed satellite emergency department.
- Review of LifePoint's Balance Sheet for the period ending December 31, 2014 revealed $1,296,200,000 in total current assets, total current liabilities of $583,000,000 and a current ratio of 2.22 to 1.0.
- ***Note to Agency Members: current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.***

Licensure/Accreditation

- SRMC is accredited by The Joint Commission and licensed by the Tennessee Department of Health.
- Please refer to Attachment C, Contribution to the Orderly Development of Health Care-7. (b) (Tab 20) for the most recent Joint Commission Report.

The applicant has submitted the required corporate documentation and real estate title. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency office.

Should the Agency vote to approve this project, the CON would expire in three years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied or pending applications for this applicant.

Outstanding Certificates of Need

Sumner Regional Medical Center, CN1409-041A, has an outstanding Certificate of need that will expire on January 1, 2018. . The project was approved at the December 17, 2014 Agency meeting to purchase a GE Optima PET/CT 560 fixed imaging system and initiate PET services on its existing outpatient campus under the hospital's license. As part of the project, the applicant plans to renovate approximately 1,425 square feet (SF) of space in the existing outpatient building to house a scanning room and support space for the service. The estimated project cost is $2,887,396. *Project Status: A progress report dated 11/4/2015 states the current construction schedule has the final State inspections occurring on 12-23-15. Training for the PET service will start after the state inspections.*

Sumner Regional Medical Center, CN1408-036A, has an outstanding Certificate of the Need that will expire on December 1, 2017. The project was approved under CONSENT CALENDAR REVIEW at the October 22, 2014 Agency meeting for the relocation of the hospital's existing linear accelerator service from its main campus to its outpatient campus at Station, Gallatin, (County), TN. The project includes the replacement and upgrade of the current unit and the build-out of space in the existing outpatient building. The estimated project cost is **$10,512,421.** *Project Status Update: An Annual Progress Report dated September 4, 2015 indicates the foundation for the project has been completed and construction is underway. Anticipated completion date is February 2, 2016.*

LifePoint Hospitals, Inc. has a financial interest in this application and the following:

Outstanding Certificates of Need

Starr Regional Medical Center—Etowah, CN1404-009A, has an outstanding Certificate of Need that will expire on September 1, 2017. The project was approved at the July 23, 2014 Agency meeting for the expansion of the hospital's existing ten (10) bed geri-psychiatric unit to fourteen (14) beds. The hospital will close four (4) general hospital beds at Etowah with the result that the licensed beds at Etowah (72) and the total consolidated licensed beds (190) for both the

Etowah and Athens hospitals will not change. The estimated project cost is **$1,283,000.** *Project Status Update: Status: The annual progress report dated July 15, 2015 indicates demolition is complete and construction is underway. They were on schedule to be completed by September 15, 2015. A final project report is pending.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent, pending or denied applications, or outstanding Certificates of Need for other health care organizations proposing this type of service.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME
(11/4/15)

LETTER OF INTENT

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Tennessean (Name of Newspaper) which is a newspaper of general circulation in Sumner (County), Tennessee, on or before August 10 (Month / day), 2015 (Year) for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Sumner Regional Medical Center ("SRMC") (Name of Applicant) an existing acute care hospital (Facility Type-Existing)

owned by: Sumner Regional Medical Center, LLC with an ownership type of Limited Liability Company

and to be managed by: SRMC intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]: a full service, 24-hour-per-day/7-day-per-week satellite emergency department for patients who require care on an emergency basis. The project will be located at SRMC's existing outpatient facility known as Sumner Station, 225 Big Station Camp Boulevard, Gallatin, Sumner County, TN 37066. The project will be a satellite of the main emergency department at SRMC and will be under the sole administrative control of SRMC. It involves the renovation of 10,210 square feet of existing space. The total project costs are estimated to be $5,603,276.

Sumner Regional Medical Center is licensed by the Board for Licensing Healthcare Facilities as a 155-bed acute care hospital. The proposed satellite emergency department will provide the same full emergency diagnostic and treatment services as at the main hospital, utilizing the imaging center already located at Sumner Station for diagnostic services such as CT and MRI. The project does not contain major medical equipment, or initiate or discontinue any other health service, or affect any facility's licensed bed complements.

The anticipated date of filing the application is: August 14, 20 15

The contact person for this project is Michael Herman (Contact Name) Chief Operating Officer (Title)

who may be reached at: Sumner Regional Medical Center (Company Name) 225 Big Station Camp Boulevard (Address)

Gallatin (City) TN (State) 37066 (Zip Code) 615 / 328-6695 (Area Code / Phone Number)

(Signature) 8-7-15 (Date) Michael.Herman@LPNT.net (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

COPY

Sumner Regional Medical Center Satellite ED

CN1508-029

SUMNER
Regional Medical Center
HIGHPOINT HEALTH SYSTEM

SATELLITE EMERGENCY DEPARTMENT AT SUMNER STATION IN GALLATIN, SUMNER COUNTY

CERTIFICATE OF NEED APPLICATION
AUGUST 2015

SECTION A:

APPLICANT PROFILE

Please enter all Section A responses on this form. All questions must be answered. If an item does not apply, please indicate *"N/A."* ***Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment.***

For Section A, Item 1, *Facility Name* ***must be*** *applicant facility's name and address* ***must be*** *the site of the proposed project.*

For Section A, Item 3, *Attach a copy of the partnership agreement, or corporate charter* ***and*** *certificate of corporate existence, if applicable, from the Tennessee Secretary of State.*

For Section A, Item 4, *Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% or more ownership interest. In addition, please document the financial interest of the applicant, and the applicant's parent company/owner in any other health care institution as defined in* Tennessee Code Annotated, §68-11-1602 *in Tennessee. At a minimum, please provide the name, address, current status of licensure/certification, and percentage of ownership for each health care institution identified.*

For Section A, Item 5, *For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.*

Please describe the management entity's experience in providing management services for the type of the facility, which is the same or similar to the applicant facility. Please describe the ownership structure of the management entity.

For Section A, Item 6, *For applicants or applicant's parent company/owner that currently own the building/land for the project location; attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements* ***must include*** *anticipated purchase price. Lease/Option to Lease Agreements* ***must include*** *the actual/anticipated term of the agreement* ***and*** *actual/anticipated lease expense. The legal interests described herein* ***must be valid*** on the date of the Agency's consideration of the certificate of need application.

1. ***Name of Facility, Agency, or Institution***

Sumner Regional Medical Center (for its Sumner Station Campus)		
Name		
225 Big Station Camp Boulevard	Sumner	
Street or Route	County	
Gallatin	Tennessee	37066
City	State	Zip Code

2. ***Contact Person Available for Responses to Questions***

Michael Herman		Chief Operating Officer	
Name		Title	
Sumner Regional Medical Center		Michael.Herman@LPNT.net	
Company Name		Email address	
555 Hartsville Pike	Gallatin	Tennessee	37066
Street or Route	City	State	Zip Code
Chief Operating Officer		615-328-6695	615-328-6698
Association with Owner		Phone Number	Fax Number

3. ***Owner of the Facility, Agency or Institution***

Sumner Regional Medical Center, LLC		615-328-6695
Name		Phone Number
330 Seven Springs Way		Sumner
Street or Route		County
Brentwood	Tennessee	37027
City	State	Zip Code

4. ***Type of Ownership of Control (Check One)***

A.	Sole Proprietorship		
B.	Partnership		
C.	Limited Partnership		
D.	Corporation (For Profit)		
E.	Corporation (Not-for-Profit)		
F.	Governmental (State of TN or Political Subdivision)		
G.	Joint Venture		
H.	Limited Liability Company	X	
I.	Other (Specify)_____		

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS

5. ***Name of Management/Operating Entity (If Applicable)***

N/A

Name

Street or Route

County

City

ST

Zip Code

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

6. ***Legal Interest in the Site of the Institution (Check One)***

A.	Ownership	X	D.	Option to Lease	
B.	Option to Purchase		E.	Other (Specify)	
C.	Lease of __ Years				

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS

7. ***Type of Institution (Check as appropriate--more than one response may apply)***

A.	Hospital (Specify) Acute Care	X	I.	Nursing Home	
B.	Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty		J.	Outpatient Diagnostic Center	
C.	ASTC, Single Specialty		K.	Recuperation Center	
D.	Home Health Agency		L.	Rehabilitation Facility	
E.	Hospice		M.	Residential Hospice	
F.	Mental Health Hospital		N.	Non-Residential Methadone Facility	
G.	Mental Health Residential Treatment Facility		O.	Birthing Center	
H.	Mental Retardation Institutional Habilitation Facility (ICF/MR)		P.	Other Outpatient Facility (Specify) Satellite ED	X
			Q.	Other (Specify)	

8. **Purpose of Review *(Check as appropriate--more than one response may apply)***

A.	New Institution		G.	Change in Bed Complement [*Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation*]	
B.	Replacement/Existing Facility				
C.	Modification/Existing Facility				
D.	Initiation of Significant Health Care Service as defined in TCA § 68-11-1607(4) (Specify) Emergency Dept	X			
E.	Discontinuance of OB Services		H.	Change of Location	
F	Acquisition of Equipment		I.	Other (Specify) Add Satellite Emergency Department	X

9. Bed Complement Data

Please indicate current and proposed distribution and certification of facility beds.

		Current Beds		Staffed Beds	Beds Proposed	TOTAL Beds at Completion
		Licensed	*CON			
A.	Medical					
B.	Surgical (General Med/Surg)	90	0	90	0	90
C.	Long-Term Care Hospital					
D.	Obstetrical	15	0	15	0	15
E.	ICU/CCU	18	0	18	0	18
F.	Neonatal					
G.	Pediatric					
H.	Adult Psychiatric					
I.	Geriatric Psychiatric	12		12		12
J.	Child/Adolescent Psychiatric					
K.	Rehabilitation	20		20		20
L.	Nursing Facility (non-Medicaid Certified)					
M.	Nursing Facility Level 1 (Medicaid only)					
N.	Nursing Facility Level 2 (Medicare only)					
O.	Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P.	ICF/MR					
Q.	Adult Chemical Dependency					
R.	Child and Adolescent Chemical Dependency					
S.	Swing Beds					
T.	Mental Health Residential Treatment					
U.	Residential Hospice					
	TOTAL	155	0	155	0	155

*CON-Beds approved but not yet in service

10. Medicare Provider Number 1447571658

Certification Type Acute Care Hospital

11. Medicaid Provider Number 044-0003

Certification Type Acute Care Hospital

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid? N/A

13. ***Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area.*** **Will this project involve the treatment of TennCare participants? Yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or *plans to contract.***

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

RESPONSE: Sumner Regional Medical Center ("SRMC") participates in the major TennCare MCOs serving the majority of the patients in the area: UnitedHealthcare, Amerigroup, TennCare Select, and BlueCare. In total, SRMC participates in approximately 34 managed care organizations/behavioral health organizations. Please see **Attachment A,13 (Tab 6)** for a list of managed care contracts in which SRMC participates.

NOTE: ***Section B*** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. ***Section C*** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

RESPONSE: Please see the following executive summary.

CREATE A SATELLITE EMERGENCY DEPARTMENT ("ED") IN GALLATIN, SUMNER CO., AT SRMC'S SUMNER STATION CAMPUS

APPLICANT OVERVIEW: Sumner Regional Medical Center ("SRMC") is a 155-bed acute care hospital in Gallatin, Tennessee. It is part of LifePoint Hospitals. LifePoint Hospitals is headquartered in Brentwood, Tennessee. It operates 63 hospitals in 20 states, including 10 in Tennessee. SRMC is one of 15 LifePoint hospitals that was recognized by the Joint Commission in 2013 as a Top Performer in Key Quality Measures.

With this project, Sumner Regional Medical Center proposes to initiate a Satellite Emergency Department ("ED") at its existing outpatient campus, known as "Sumner Station," located on Big Station Camp Boulevard just off Vietnam Veterans Parkway, approximately 6.9 miles west of the main campus. Due to area traffic patterns, easily accessible emergency services are currently not available to large portions of the community. The availability of the satellite ED service at Sumner Station will alleviate the travel for these patients and improve accessibility to life-saving care.

EXISTING RESOURCES. SRMC's Emergency Department is a full-service ED that serves the surrounding community. The ED is staffed with board-certified emergency medicine physicians and experienced registered nurses that provide patients immediate access to the most advanced diagnostic services and lifesaving care available.

SRMC's emergency services include an accredited Chest Pain Center, as well as a vast array treatment options for illnesses and injuries. Whether a patient has an emergency, accident or suffers a traumatic injury, SRMC provides holistic care for the body, mind and spirit.

SRMC's ED provides advanced care 24 hours a day, seven days a week with several notable designations:

- Dedicated Chest Pain Center by the Society of Cardiovascular Patient Care
- On call 24 / 7 / 365 Cardiac Interventionalist Physician
- On call 24 / 7 / 365 Primary Pediatrics Care

In Gallatin, adjacent to the proposed Satellite ED in the Sumner Station complex, SRMC operates a full-service imaging center that provides X-ray, ultrasound, CT, MRI, bone densitometry, cardiac calcium scoring CT, coronary CTA, lung screening CT, mammography, PAD screening, and wellness imaging. Recent additions to the Sumner Station campus include the relocation of radiation therapy services from the main hospital campus, and the addition of PET/CT scanning services. Both of these recent additions are currently in the process of being implemented. When fully operational, this wide range of complementary services will allow the Sumner Station facility to function as a Cancer Center, providing diagnosis, treatment, and social support to cancer patients and their families.

PROPOSED SERVICES AND EQUIPMENT: SRMC is not proposing any new services or CON reviewable equipment. As described more fully in the need section below, this project is to add four[1] Satellite Emergency Department treatment rooms at its Sumner Station campus in Gallatin, to the existing 26 emergency treatment rooms at SRMC's main campus. 24/7 imaging services will be provided by SRMC's on-site full-service imaging center.

OWNERSHIP STRUCTURE: SRMC is part of LifePoint Hospitals. LifePoint Hospitals is headquartered in Brentwood, Tennessee. It operates 63 hospitals in 20 states, including 10 in Tennessee. The proposed project will not result in a change in ownership structure.

SERVICE AREA: Based on historical patient origin data and area driving distances/times, SRMC's service area for this Satellite ED project is comprised of two zip codes in Sumner County - 37066 and 37075.

NEED: The proposed Satellite ED is in full alignment with SRMC's long term mission of making its local community healthier. Rather than traveling to downtown Gallatin, this project brings convenient, accessible healthcare services to the local community so patients can receive healthcare closer to where they live and work. SRMC currently serves approximately 38,000 emergency department patients annually with 26 treatment rooms (3 rooms were added in 2014). Planning guidelines from the American College of Emergency Physicians ("ACEP") recommend 1,500 patients per emergency treatment room per year. At this level, SRMC operated at or above 100% capacity for the last three years. Due to facility constraints at the main campus, additional ED expansion into adjacent space is not practical. Off-site expansion at Sumner Station is a logical alternative.

Specific needs include:

- Better meet community demand for emergency services – Population based ED use rate analyses in the service area indicate an increasing demand for emergency room services over the next five years. Based on the ACEP standard of 1,500 visits per emergency treatment room per year, projected incremental volumes in the service area are sufficient to support 10 emergency treatment rooms at 100% utilization or 14 emergency treatment rooms at 70% utilization. These treatment room projections would not take any patients away from existing providers and do not consider in-migration from the surrounding counties.

- Reduce high utilization of existing ED treatment rooms – SRMC has a very active emergency service today, with utilization often exceeding 100%. By the nature of the facility layout, SRMC is unable to expand ED services at the main hospital. This proposed satellite ED location will better distribute vital resources throughout the service area.

[1] Four rooms are proposed in Year 1, adding a fifth room in Year 2 as the demand for services increases.

- Improve patient flow and operational efficiency – By adding ED capacity to the healthcare delivery system, this satellite ED project will help improve patient treatment times for Sumner County residents whether they seek care locally or now travel to SRMC's main campus.

- Improve quality of care – With emergency services, every minute counts. SRMC and its emergency services team members seek to bring their experience and expertise closer to the patient in order to improve the patient experience and outcomes.

- Meet the needs of an aging population – Between 2015 and 2020, the Sumner County 65 and older population is projected to increase by 22.3%. This is much higher than the statewide growth projection of 15.4%, and indicates a likely increase in demand for emergency services.

Regardless of the incremental need detailed above, SRMC has based its need projections exclusively on the redirection of its own existing patients from the highly utilized SRMC main campus to the proposed Sumner Station satellite ED facility. Through this patient redirection, SRMC can achieve its projected patient volumes based on its own existing patients, with little or no adverse impact on existing providers.

PROJECT COST: The total estimated cost of the proposed project is $5,603,276. Project costs include $2,940,000 for renovations of 10,210 square feet of space. Renovation cost per square foot is $288. The cost per square foot is reasonable when compared to other Tennessee projects and is discussed later in the application.

FUNDING: SRMC will receive funding for the project by a capital contribution from the applicant's parent, LifePoint Hospitals.

FINANCIAL FEASIBILITY: SRMC expects that construction will be completed and the project will be operational by July 2017. Projections for Year 1 and Year 2 indicate that the project is financially feasible. As explained below, this project is being proposed in order to improve access to care and quality of care without increasing charges to government and third-party payors.

STAFFING: This project will be staffed with the assistance of the 4.2 existing board-certified emergency medicine physicians now providing services at SRMC. This project will result in 41.9 FTEs in total staff. SRMC's salaries and wages are competitive with the market area. SRMC has a history of successfully recruiting and retaining professional and administrative staff.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of $5 million) and other facility projects (construction cost in excess of $2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

RESPONSE: This project involves renovation of 10,210 square feet of existing shelled space at the Sumner Station outpatient facility. Four emergency department treatment rooms will be created and used in year one of the project, with shelled space for a fifth room, to be opened in year two of the project as the demand for services increases.

The total estimated cost of the proposed project is $5,603,276. Project costs include $2,940,000 for the renovation of 10,210 square feet of existing space. Renovation cost per square foot is $288. The cost per square foot is reasonable when compared to other Tennessee projects and is discussed later in the application.

No temporary relocation is required.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

RESPONSE: Not applicable. The proposed project does not affect the total bed complement at the hospital.

Square Footage Exhibit

A. Unit/Department	Existing Location	Existing Sq. Ft.	Temporary Location	Proposed Final Location	Proposed Final Sq. Footage			Proposed Final Cost/Sq. Ft.		
					Renovated	New	Total	Renovated	New	Total
Satellite Emergency Department	N/A	N/A	N/A	Sumner Station	10,210	N/A	10,210	$288	N/A	$288
B. Unit/Dept GSF Sub-Total	**N/A**	**N/A**	**N/A**	**Sumner Station**	**10,210**	**N/A**	**10,210**	**$288**	**N/A**	**$288**
C. Mechanical/Electrical GSF	**N/A**	**N/A**	**N/A**	**Sumner Station**	**Included**	**N/A**			**N/A**	
D. Circulation/Structure GSF	**N/A**	**N/A**	**N/A**	**Sumner Station**	**Included**	**N/A**			**N/A**	
E. Total GSF	**N/A**	**N/A**	**N/A**	**Sumner Station**	**10,210**	**N/A**	**10,210**	**$288**	**N/A**	**$288**

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C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

RESPONSE: Not applicable. SRMC is not requesting new services or additional pieces of major medical equipment.

D. Describe the need to change location or replace an existing facility.

RESPONSE: This project involves the expansion of SRMC's existing emergency department services to a second location in Gallatin, Sumner County. It is expected to serve patients primarily from Sumner County.

SRMC added 3 treatment rooms in 2014. Renovating and enlarging the existing emergency department at Sumner Regional Medical Center is not a viable option. The emergency department at SRMC is located in a basement area, and due to the facility layout, is unable to expand further. To attempt to do so would be cost prohibitive. As SRMC's campus has become increasingly crowded, the hospital has been actively pursuing a strategy of moving outpatient services into other areas of the surrounding communities, specifically at Sumner Station. This is evidenced generally by the development of outpatient diagnostic services.

Emergency services are an essential hospital responsibility to the community. This proposal will enhance SRMC's current service line by expanding emergency department capacity off the main hospital campus. This will accomplish two important goals. First, it will decompress services already limited by space constraints in downtown Gallatin. Second, it will bring services closer to the communities where SRMC's patients now work and reside. This is vitally important for emergency services where every minute counts.

With regard to this particular project, SRMC already owns the shelled space for the proposed emergency department at its Sumner Station outpatient facility. This will allow the project to be completed exclusively in renovated space, a much more cost efficient option than new construction. Additionally, Sumner Station already operates a full service imaging center that will be utilized by the proposed emergency department, saving millions of dollars in duplicate equipment and construction costs.

Thus, this project addresses the site deficiency at SRMC's existing in-town campus and does so in a cost-effective approach by leveraging existing imaging services in Gallatin.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of $1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed-site major medical equipment (not replacing existing equipment):

   a. Describe the new equipment, including:
      1. Total cost; (As defined by Agency Rule).
      2. Expected useful life;
      3. List of clinical applications to be provided; and
      4. Documentation of FDA approval.

   b. Provide current and proposed schedules of operations.

RESPONSE: Not applicable, as SRMC is not proposing to acquire any single piece of major medical equipment that exceeds $1.5 million or is a MRI, PET, extracorporeal lithotripter or linear accelerator.

2. For mobile major medical equipment:

   a. List all sites that will be served;
   b. Provide current and/or proposed schedule of operations;
   c. Provide the lease or contract cost.
   d. Provide the fair market value of the equipment; and
   e. List the owner for the equipment.

RESPONSE: Not applicable. No major mobile equipment is proposed.

3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.). In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

RESPONSE: Not applicable. No major equipment is proposed.

III. **(A)** Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must include**:

1. Size of site (***in acres***);
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

RESPONSE: Please see **Attachment B, III.(A) (Tab 7)** that depicts the 24.57-acre site.

(B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

RESPONSE: Sumner Station is located on Big Station Camp Boulevard, between Long Hollow Pike and the Vietnam Veterans Bypass. There is not direct bus service to the facility, but Sumner Station is easily accessible by car. Additionally, Mid-Cumberland Human Resources Agency RTS Public Transit serves the area.

Please see **Attachment B, III.(B).1 (Tab 8)** for a map depicting the service area and the thoroughfares that connect local residents to the proposed site. Also included is a drive-time study map that details the patient origin of SRMC's actual 2014 ED patients, color coded by the shortest travel time to receive service (Main campus ED versus the proposed Sumner Station satellite ED). As depicted on the map, the Sumner Station satellite ED will greatly improve access for many of SRMC's existing patients residing in the proposed service area.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: ***DO NOT SUBMIT BLUEPRINTS***. Simple line drawings should be submitted and need not be drawn to scale.

RESPONSE: Please see **Attachment B, IV (Tab 9)** for the floor plan schematics.

V. For a Home Health Agency or Hospice, identify:

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

RESPONSE: Not applicable. The project does not involve a Home Health Agency or Hospice.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.

   a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

      RESPONSE: One category is applicable to the project and is addressed below.

      CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

      1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

         RESPONSE: Not applicable. The SRMC Satellite ED project does not include the addition of beds, services or medical equipment.

      2. For relocation or replacement of an existing licensed health care institution:

         a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

         b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

         RESPONSE: Not applicable. The SRMC Satellite ED project does not include the relocation or replacement of an existing licensed health care institution.

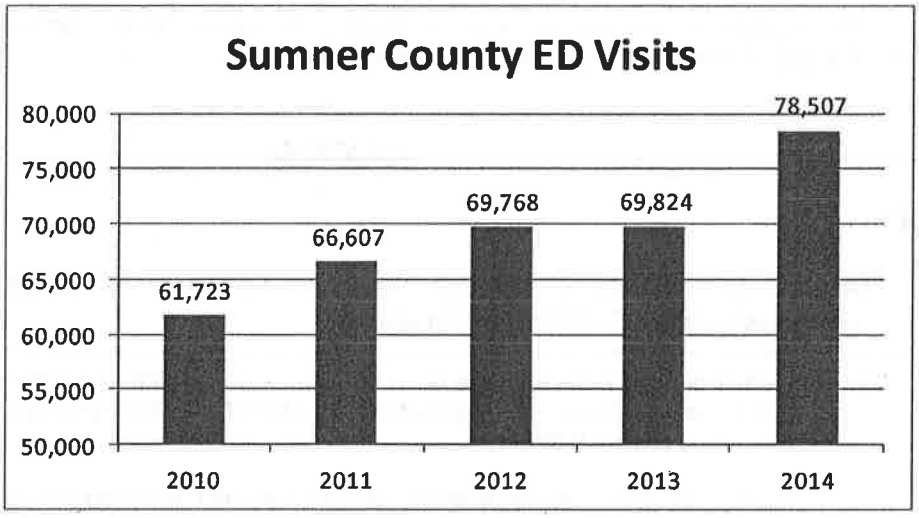
3. For renovation or expansions of an existing licensed health care institution:

a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

RESPONSE: As illustrated below, Tennessee Hospital Association patient origin data indicate that emergency department visits have increased significantly throughout the proposed service area the past five years from 2010 to 2014.

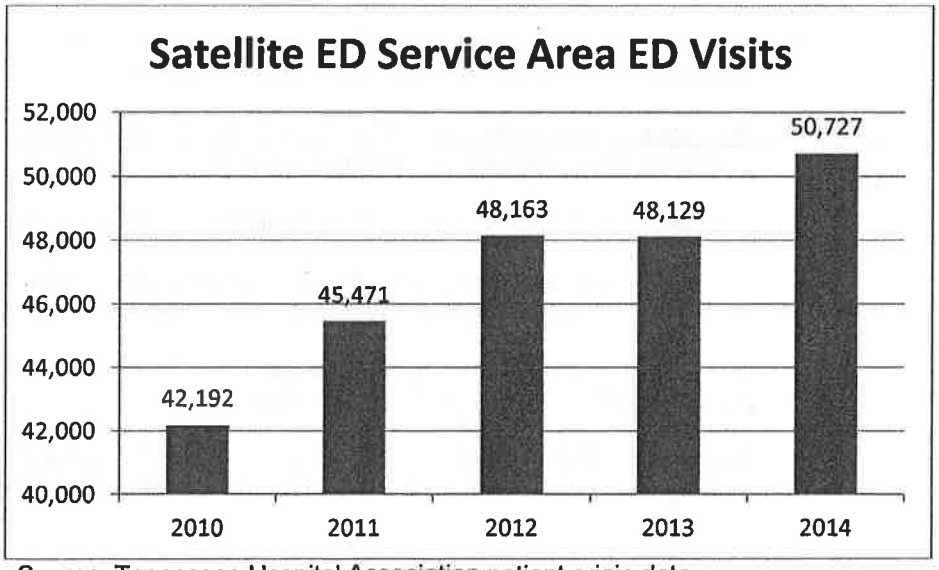
- Sumner County – 16,784 visits or 27.2% growth
- 2 Zip Code Area – 8,535 visits or 20.2% growth

Exhibit 1



Source: Tennessee Hospital Association patient origin data

Exhibit 2



Source: Tennessee Hospital Association patient origin data
Note: Includes two zip codes: 37066 and 37075

This robust growth in emergency department visits is projected to continue the next five years as well, from 2015 to 2020.

Based upon age cohort ED use rates for 2014, utilization within Sumner County is far lower than that within the adjacent counties of Davidson, Macon, Robertson, and Trousdale, as well as for the state of Tennessee overall.

Exhibit 3
ER Visits per 1,000 Population in Sumner County and Surrounding Areas

ER Visits by County and Age Cohort, 2014

Patient County	0-19	20-44	45-64	65+	Total
Davidson	73,738	141,062	78,478	42,017	335,295
Macon	2,486	4,306	2,584	1,972	11,348
Robertson	8,098	13,666	8,586	6,021	36,371
Sumner	*16,665*	*31,818*	*17,024*	*12,999*	*78,506*
Trousdale	1,149	2,243	1,456	831	5,679
Wilson	9,236	17,481	10,463	8,156	45,336
Total	**111,372**	**210,576**	**118,591**	**71,996**	**512,535**
Tennessee	722,107	1,268,019	772,137	555,248	3,317,511

Population by County and Age Cohort, 2014

Patient County	0-19	20-44	45-64	65+	Total
Davidson	169,896	265,210	153,876	73,129	662,111
Macon	6,179	6,855	6,298	3,709	23,041
Robertson	19,941	21,908	19,761	9,621	71,231
Sumner	*47,036*	*52,116*	*48,470*	*24,955*	*172,577*
Trousdale	2,161	2,433	2,369	1,257	8,220
Wilson	33,350	36,443	36,372	17,773	123,938
Total	**278,563**	**384,965**	**267,146**	**130,444**	**1,061,118**
Tennessee	1,732,546	2,140,276	1,771,822	1,008,646	6,653,290

ER Visits per 1,000 Population by County and Age Cohort, 2014

Patient County	0-19	20-44	45-64	65+	Total
Davidson	434.0	531.9	510.0	574.6	506.4
Macon	402.3	628.2	410.3	531.7	492.5
Robertson	406.1	623.8	434.5	625.8	510.6
Sumner	*354.3*	*610.5*	*351.2*	*520.9*	*454.9*
Trousdale	531.7	921.9	614.6	661.1	690.9
Wilson	276.9	479.7	287.7	458.9	365.8
Total	**399.8**	**547.0**	**443.9**	**551.9**	**483.0**
Tennessee	416.8	592.5	435.8	550.5	498.6

Sources: The Tennessee Center for Business and Economic Research (CBER) Population Projections; THA MarketIQ Database 2014 data

Applying the age cohort ED use rates for 2014 to the 2020 projected population suggests that emergency department visits will continue to increase significantly in Sumner County over the next five years from 2015 to 2020, growing by 6,898 visits or 8.6%.

Applying the Tennessee age cohort ED use rates for 2014 to the 2020 projected Sumner County population suggests even stronger projected growth – 14,442 additional visits. This reflects the disparity of current ED use rates within Sumner County compared to the surrounding counties and the state of Tennessee overall.

Based on a standard of 1,500 visits per emergency treatment room per year from the American College of Emergency Physicians, this incremental volume alone is sufficient to support 10 emergency treatment rooms at 100% utilization or 14 emergency treatment rooms at 70% utilization. These treatment room projections would not take any patients away from existing providers and do not consider in-migration from the surrounding counties.

Please see Exhibit 4 below for the analysis detailing the projected growth in ED visits in Sumner County.

Exhibit 4

Projected Growth in ER Visits in Sumner County

Projected ER Visits Sumner County, 2015 (at 2014 actual county Visits/1,000 rates)

	Ages 0-19			Ages 20-44			Ages 45-64			Ages 65+			Total	
Patient County	2015 Pop	Visits/1,000	Proj Visits	2015 Pop	Visits/1,000	Proj Visits	2015 Pop	Visits/1,000	Proj Visits	2015 Pop	Visits/1,000	Proj Visits	2015 Pop	Proj Visits
Sumner	47,676	354.3	16,892	52,370	610.5	31,973	49,459	351.2	17,371	26,289	520.9	13,694	175,794	79,930

Projected ER Visits for Sumner County, 2020 (at 2014 actual county Visits/1,000 rates)

	Ages 0-19			Ages 20-44			Ages 45-64			Ages 65+			Total	
Patient County	2020 Pop	Visits/1,000	Proj Visits	2020 Pop	Visits/1,000	Proj Visits	2020 Pop	Visits/1,000	Proj Visits	2020 Pop	Visits/1,000	Proj Visits	2020 Pop	Proj Visits
Sumner	49,309	354.3	17,470	55,018	610.5	33,590	53,015	351.2	18,620	32,919	520.9	17,147	190,261	86,828
Sumner at TN Use Rate	*49,309*	*416.8*	*20,551*	*55,018*	*592.5*	*32,596*	*53,015*	*435.8*	*23,103*	*32,919*	*550.5*	*18,122*	*190,261*	*94,372*

Change in Projected Population and ER Visits for Sumner County, 2015 - 2020

	Ages 0-19			Ages 20-44			Ages 45-64			Ages 65+			Total	
Patient County	2020 Pop	Visits/1,000	Proj Visits	2020 Pop	Visits/1,000	Proj Visits	2020 Pop	Visits/1,000	Proj Visits	2020 Pop	Visits/1,000	Proj Visits	2020 Pop	Proj Visits
Sumner	1,633		579	2,648		1,617	3,556		1,249	6,630		3,454	14,467	6,898
Sumner at TN Use Rate	*1,633*		*3,660*	*2,648*		*623*	*3,556*		*5,732*	*6,630*		*4,428*	*14,467*	*14,442*

Percent Change in Projected Population and ER Visits for Sumner County, 2015 - 2020

	Ages 0-19			Ages 20-44			Ages 45-64			Ages 65+			Total		Proj Visits
Patient County	Proj Pop	Visits/1,000	Proj Visits	Proj Pop	Visits/1,000	Proj Visits	Proj Pop	Visits/1,000	Proj Visits	Proj Pop	Visits/1,000	Proj Visits	Proj Pop	Proj Visits	Proj Visits
Sumner	3.4%		3.4%	5.1%		5.1%	7.2%		7.2%	25.2%		25.2%	8.2%	8.6%	1.7%
Sumner at TN Use Rate	*3.4%*		*21.7%*	*5.1%*		*1.9%*	*7.2%*		*33.0%*	*25.2%*		*32.3%*	*8.2%*	*18.1%*	3.4%

Sources: The Tennessee Center for Business and Economic Research (CBER) Population Projections; THA MarketIQ Database 2014 data

The proposed two zip code service area represents a high growth area within Sumner County. As displayed in Exhibit 2, since 2010, ED visits in two zip area have grown by 4.7% per year, from 42,192 ED visits in 2010, to 50,727 visits in 2014. The area has a 2014 population of approximately 108,750[2] residents, which results in an actual ED use rate per 1,000 residents of 466.45. This is slightly higher than Sumner County's actual 2014 use rate of 454.9. However, to be conservative, ED visits are projected to increase from 2015 to 2020 at the same rate as Sumner County overall – 1.7% per year. As illustrated below, this is an increase of 5,399 visits.

Exhibit 5
2 Zip Code Service Area ED Visit Projections
With Increase From 2014 Baseline

Actual 2014	Projected 2015	Projected 2016	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020
50,727	51,589	52,466	53,358	54,265	55,188	56,126
--	862	1,739	2,631	3,538	4,461	5,399

Based on a standard of 1,500 visits per treatment room per year from the American College of Emergency Physicians, this volume alone is sufficient to support four emergency treatment rooms at 100% utilization or six emergency treatment rooms at 70% utilization. These treatment room projections would not take any patients away from existing providers and do not consider in-migration from surrounding areas such as other portions of Sumner County.

In summary, depending on assumptions, population growth alone from 2015 to 2020 is expected to generate demand for an additional five to 14 emergency treatment rooms in Sumner County, four to six of which are required in the proposed two zip code satellite ED service area. These are incremental emergency treatment rooms, and thus would have no effect on the utilization rates of existing providers in the service area.

That said, SRMC's satellite ED need methodology assumptions propose strictly to redirect its own existing patients from the SRMC main campus to the proposed Sumner Station satellite ED facility, with absolutely no impact on outside providers.

SRMC's Redirection Plan

Exhibit 6 below details actual ED visits at the SRMC main campus from 2010 to 2015 (3.6%), as well as projected visits through 2020 based on historical annual ED growth experienced at SRMC of roughly 3.5%[3]. The analysis projects growth at the SRMC main campus before any patient redirection to the proposed Sumner Station satellite ED facility, and does so on a calendar year basis[4]. Additionally, the analysis depicts utilization rates both at the ACEP standard of 1,500 visits per emergency treatment room per year, as well as the more conservative 1,800 visits per emergency treatment room per year, the level often used as an internal efficiency benchmark by SRMC.

[2] Nielsen Claritas, Inc.
[3] This level of growth (3.5%) is consistent with the Sumner County annual growth rate experienced in Exhibit 4 when the State of Tennessee visits/1,000 use rates are applied (3.4%).
[4] As Year 1 of the project begins in July 2017, and Year 2 begins in July 2018, at the conclusion of the analysis an adjustment is made to the projections to account for this shift in project timing.

Exhibit 6
SRMC Main Campus ED Visits Before Any Patient Redirection to Sumner Station

	Total SRMC Main Campus ED Visits										
	Actual						Projected (Before Redirection)				
	2010	2011	2012	2013	2014	*2015	2016	2017	2018	2019	2020
Rooms	23	23	23	23	26	26	26	26	26	26	26
ED Visits	31,781	35,453	37,404	38,406	37,147	37,838	39,162	40,533	41,952	43,420	44,940
Annual % Growth	3.55%						3.50%				
Visits/Room	1,382	-1,541	1,626	1,670	1,429	1,455	1,506	1,559	1,614	1,670	1,728
Utilization @ 1,500	92.1%	102.8%	108.4%	111.3%	95.2%	97.0%	100.4%	103.9%	107.6%	111.3%	115.2%
Utilization @ 1,800	76.8%	85.6%	90.3%	92.8%	79.4%	80.9%	83.7%	86.6%	89.6%	92.8%	96.0%

* Annualized through June
Source: Internal Data

Exhibit 7 below details actual ED visits at the SRMC main campus originating from the two service area zip codes (37066, and 37075) from 2010 to 2015. Since 2010, the two zip area has experienced an annual growth rate of 6.33%. However, to be conservative the analysis projects the zip code service area growth at 3.5% annually through 2020, the same growth rate experienced hospital-wide as in Exhibit 6 above.

Exhibit 7
SRMC 2-Zip code Service Area ED Visit Projections

	SRMC 2-Zip Code Service Area ED Visits										
	Actual						Projected				
Zip Code	2010	2011	2012	2013	2014	*2015	2016	2017	2018	2019	2020
37066	15,366	17,369	18,628	18,969	20,293	21,003	21,738	22,499	23,286	24,101	24,945
37075	928	1,036	1,058	1,109	1,105	1,144	1,184	1,225	1,268	1,313	1,359
Total	**16,294**	**18,405**	**19,686**	**20,078**	**21,398**	**22,147**	**22,922**	**23,724**	**24,555**	**25,414**	**26,304**
Annual % Growth	6.33%						3.50%				

* Annualized though June
Source: Internal Data

Exhibit 8 then takes the zip code level volumes projected for 2016 through 2020 in Exhibit 7 above, and applies a "redirection percentage", by zip code, to determine the number of visits that SRMC expects to redirect from its main campus to the Sumner Station satellite ED. For zip code 37066, the applicant assumes that it will redirect 20% of its existing visits. For zip code, 37075, SRMC assumes that it will redirect 75% of its existing visits.

SRMC believes that these redirection percentages will be achieved by offering local residents the same level and quality of ED services they now receive, but closer to home and in newer facilities. In some cases, existing SRMC ED patients are now by-passing Sumner Station to receive treatment at the main campus.

The applicant then applied a 5% in-migration factor to the results to account for patients from outside of the service area coming to the facility for care. These steps resulted in the expected total number of visits at Sumner Station. In CY2017, this amounted to 5,690 visits, growing to 6,308 visits by 2020

Exhibit 8
ED Visits Redirected from SRMC's Main Campus to the Satellite ED Facility
2017-2020

	SRMC 2-Zip Code Service Area ED Visits					Redirection Percentage	Visits Redirected to Sumner Station Satellite ED				
	Projected						Projected				
Zip Code	2016	2017	2018	2019	2020		2016	2017	2018	2019	2020
37066	21,738	22,499	23,286	24,101	24,945	20%	4,348	4,500	4,657	4,820	4,989
37075	1,184	1,225	1,268	1,313	1,359	75%	888	919	951	985	1,019
Total	**22,922**	**23,724**	**24,555**	**25,414**	**26,304**		**5,236**	**5,419**	**5,609**	**5,805**	**6,008**
						In-Migration (5%)		271	280	290	300
						Total Visits at Sumner Station		**5,690**	**5,889**	**6,095**	**6,308**

Source: Internal Data

Exhibit 9 below depicts 1) these projected redirected visits to Sumner Station, 2) the resulting effect on the SRMC main campus after this patient redirection, and 3) the results of SRMC's combined ED services volumes at both the main campus, and at Sumner Station. Again, utilization metrics are included for both the ACEP standard of 1,500 visits per emergency treatment room, per year, as well as the more conservative 1,800 visits per emergency treatment room, per year.

Exhibit 9
Projected ED Visits at Sumner Station, Main Campus, and Combined
2017-2020

	Sumner Station ED Visits			
	2017	2018	2019	2020
Rooms	4	5	5	5
ED Visits	5,690	5,889	6,095	6,308
Visits/Room	1,422	1,178	1,219	1,262
Utilization @ 1,500	94.8%	78.5%	81.3%	84.1%
Utilization @ 1,800	79.0%	65.4%	67.7%	70.1%

	SRMC Main Campus ED Visits (After Redirection)			
	2017	2018	2019	2020
Rooms	26	26	26	26
ED Visits	34,843	36,063	37,325	38,631
Visits/Room	1,340	1,387	1,436	1,486
Utilization @ 1,500	89.3%	92.5%	95.7%	99.1%
Utilization @ 1,800	74.5%	77.1%	79.8%	82.5%

	Total SRMC ED Visits, Main Campus and Sumner Station			
	2017	2018	2019	2020
Rooms	30	31	31	31
ED Visits	40,533	41,952	43,420	44,940
Visits/Room	1,351	1,353	1,401	1,450
Utilization @ 1,500	90.1%	90.2%	93.4%	96.6%
Utilization @ 1,800	75.1%	75.2%	77.8%	80.5%

Source: Internal Data

As shown above, even at the higher utilization standard of 1,800 visits per treatment room, Sumner Station is expected to reach 70% utilization by 2020. Similarly, it is

expected that SRMC's combined ED services will remain well over 70% utilization, exceeding 80% by 2020.

Exhibit 10 below shifts the projections to match the project timeline, with ED services at Sumner Station commencing in July 2017.

Exhibit 10
Projected ED Visits at Sumner Station, Main Campus, and Combined
2017-2020

Sumner Station ED Visits		
	Year 1	Year 2
	7/2017 - 6/2018	7/2018 - 6/2019
Rooms	4	5
ED Visits	5,789	5,992
Visits/Room	1,447	1,198
Utilization @ 1,500	96.5%	79.9%
Utilization @ 1,800	80.4%	66.6%

SRMC Main Campus ED Visits (After Redirection)		
	Year 1	Year 2
	7/2017 - 6/2018	7/2018 - 6/2019
Rooms	26	26
ED Visits	35,453	36,694
Visits/Room	1,364	1,411
Utilization @ 1,500	90.9%	94.1%
Utilization @ 1,800	75.8%	78.4%

Total SRMC ED Visits, Main Campus and Sumner Station		
	Year 1	Year 2
	7/2017 - 6/2018	7/2018 - 6/2019
Rooms	30	31
ED Visits	41,242	42,686
Visits/Room	1,375	1,377
Utilization @ 1,500	91.6%	91.8%
Utilization @ 1,800	76.4%	76.5%

Source: Internal Data

b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

RESPONSE: Three treatment rooms were added in 2014. Renovating and enlarging the existing emergency department at Sumner Regional Medical Center any further is not a viable option. The emergency department at SRMC is located in a basement area, and due to the facility layout, is unable to expand. To attempt to do so would be cost prohibitive. As SRMC's campus has become increasingly crowded, the hospital has been actively pursuing a strategy of moving outpatient services into other areas of the surrounding communities, specifically at Sumner Station. This is evidenced generally by the development of outpatient diagnostic services and cancer services.

Emergency services are an essential hospital responsibility to the community. This proposal will enhance SRMC's current service line by expanding emergency department capacity off the main hospital campus. This will accomplish two important goals. First, it

will decompress services already limited by space constraints in downtown Gallatin. Second, it will bring services closer to the communities where SRMC's patients now work and reside. This is vitally important for emergency services where every minute counts.

With regard to this particular project, SRMC already owns the shelled space for the proposed emergency department, its Sumner Station outpatient facility. This will allow the project to be completed exclusively in renovated space, a much more cost efficient option than new construction. Additionally, Sumner Station already operates a full service imaging center that will be utilized by the proposed emergency department, thus saving millions of dollars in duplicate equipment and construction costs.

Thus, this project addresses the site deficiency at SRMC's existing in-town campus and does so in a cost-effective approach by leveraging existing imaging services in Gallatin.

b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c)

RESPONSE: Not applicable. This project does not include a change of site for a health care institution but rather a second, satellite location.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

RESPONSE: Sumner Regional Medical Center (SRMC) has been providing quality health care to Gallatin, Hendersonville and the surrounding areas for more than 50 years. Routine facility planning and refurbishment is a necessary part of maintaining quality hospital services. This is especially critical in such key service lines as emergency care.

SRMC's long-range plan includes the intention to maintain and upgrade services and technology to meet community expectations for modern health care. The proposed Satellite ED brings convenient, accessible healthcare services to the local community so patients can receive healthcare closer to where they live and work.

This project is part of SRMC's increased emphasis on delivering care in the most appropriate outpatient setting possible, as close to the patient and community as possible. Innovations in care delivery and reimbursement continue to favor outpatient settings over traditional inpatient-based settings.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

RESPONSE: Based on historical patient origin data, SRMC's service area for this Satellite ED project is one county – Sumner.

As reported in the hospital's FY2014 patient origin data, this one county area represented 76.0% of SRMC's total 36,733 inpatient discharges.

Similar patient origin referral patterns exist for emergency services as well, according to Tennessee Hospital Association patient origin data.

Exhibit 11
Sumner County Emergency Department Visits
Total and Sumner Regional Medical Center

	2012	2013	2014
All Sumner Co			
All ED Patients, All Hospitals[1]	69,768	69,824	78,507
Sumner Co Only at SRMC	32,286	32,763	31,360
SRMC Total (Tennessee)	36,645	37,296	36,189
Pct Sumner Co at SRMC	88.1%	87.8%	86.7%

Source: Tennessee Hospital Association patient origin data
[1]Total Sumner County resident ED visits at all Tennessee hospitals

Based on these historical patient origin data and refined further by area driving distances/times, the proposed service area is defined by a subset of zip codes. SRMC's service area for this Satellite ED project is comprised of two zip codes, both of which are located in Sumner County - 37066 and 37075. In 2014 and 2015, approximately 60% of SRMC's ED visits originated from this two zip code area.

Accounting for patient in-migration, approximately 5% of patients served are expected to reside outside the two zip codes identified.

Please see **Attachment C, Need – 3 (Tab 10)** for a county and zip code map related to the service area.

4. A. Describe the demographics of the population to be served by this proposal.

RESPONSE: SRMC's Satellite ED service area is comprised of two zip codes within Sumner County - 37066 and 37075.

Please see Exhibit 12, which illustrates the projected demographic changes in Sumner County and the State of Tennessee between 2015 and 2020.

EXHIBIT 12
SERVICE AREA DEMOGRAPHIC ANALYSIS

Demographic Data	Sumner County	State of TN Total
Total Population - 2015	175,054	6,649,438
Total Population - 2020	188,871	6,956,764
Total Population % Change	7.9%	4.6%
65+ Pop. - 2015	26,272	1,012,937
65+ Pop. - 2020	32,131	1,168,507
65+ Population % Change	22.3%	15.4%
65+ Population % of Total Population - 2015	15.0%	15.2%
Median Age[1]	39.3	38.6
Median Household Income[2]	$55,509	$44,298
TennCare Enrollees	28,161	1,422,145
TennCare Enrollees as % of Total Population	16.1%	21.4%
Persons Below Poverty Level	18,206	1,170,301
% of Total Population below Poverty Level[2]	10.4%	17.6%

[1]2014 data

[2]2009-2013 data

Source: Tennessee Department of Health (UT CBER Data), and US Census

Between 2015 and 2020, the population of Sumner County is projected to increase by 7.9%, or by 13,817 residents. This represents an annual growth rate of 1.5% and is greater than the projected growth rate of the state within that same five-year period, which is 0.9% annually, or 4.6% total growth.

The anticipated growth in the 65 and older population within the service area is much greater; nearly three times that of the total growth. Between 2015 and 2020, projections indicate that the senior population will increase 22.3%, or by 5,859 residents. For Tennessee, projections are that the total five-year growth within this age cohort will be 15.4%. Because seniors are among the highest users of healthcare services, such an explosive growth rate foretells the need for SRMC to anticipate increasing demand for services as result of this growth as well as that of the general population.

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE: SRMC has a history of providing high quality healthcare that is accessible to all segments of the community. It provides services without regard to gender, race, socio-economic status, or ability to pay, and participates in the Medicare and TennCare programs.

In 2015, the 65 and older population will account for 15.0% of the total population in the service area. As a major demographic subgroup of SRMC's patient base, seniors will continue to expect the same level of service while becoming an increasingly larger segment of the total service area population, with 2020 projections placing the 65 and older population at 17.0% of the total service area population.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

RESPONSE: Five hospitals treat 90.0% of the Sumner County ED visits according to Tennessee Hospital Association 2014 patient origin data.

Exhibit 13
Top Hospitals Serving Sumner County ED Patients

	2012		2013		2014	
Facility	Visits	%	Visits	%	Visits	%
Sumner Reg Med Cntr	32,286	46.3%	32,763	46.9%	31,360	39.9%
TriStar Hendersonville Med Cntr	22,095	31.7%	22,208	31.8%	22,765	29.0%
TriStar Portland Med Cntr		0.0%		0.0%	9,266	11.8%
Vanderbilt Univ Hosps	4,375	6.3%	4,257	6.1%	4,081	5.2%
TriStar Skyline Med Cntr	2,975	4.3%	2,827	4.0%	3,157	4.0%

Source: Tennessee Hospital Association Market IQ Data

According to 2013 JAR data, these same five hospitals treated almost 244,000 ED patients in 2013, or 17,728 more than in 2011. Since ED treatment rooms are not reported on the JAR, utilization by room cannot be calculated. However, average annual growth of 3.8% suggests strong demand for ED services.

Exhibit 14
ED Utilization Trends Among Top Hospitals

	2011	2012	2013	Annual Growth
Sumner Regional Medical Center	35,453	37,404	38,417	4.1%
Vanderbilt University Hospital	109,987	114,051	119,225	4.1%
TriStar Hendersonville Med Center	30,052	32,039	31,729	2.8%
TriStar Portland Med Center	-	-	-	-
TriStar Skyline Med Center	50,749	54,742	54,598	3.7%
Total	226,241	238,236	243,969	3.8%

Source: Joint Annual Reports for Hospitals

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE: As indicated below, SRMC serves approximately 38,000 emergency department patients annually with 26 treatment rooms. Planning guidelines from the American College of Emergency Physicians ("ACEP") recommend 1,500 patients per treatment room per year. At this level, SRMC operated at or above 100% capacity for the last three years.

Detailed projections for both the main hospital and Satellite ED were presented previously in the need section. As discussed previously, SRMC has based its need projections exclusively on the redirection of its own existing patients from the highly utilized SRMC main campus to the proposed Sumner Station satellite ED. Through this patient redirection, SRMC can achieve its projected patient volumes based on its own existing patients, with little or no adverse impact on existing providers.

Projected SRMC ED volumes are presented below.

Exhibit 15
SRMC ED Visit Projections

Sumner Station ED Visits		
	Year 1	Year 2
	7/2017 - 6/2018	7/2018 - 6/2019
Rooms	4	5
ED Visits	5,789	5,992
Visits/Room	1,447	1,198
Utilization @ 1,500	96.5%	79.9%
Utilization @ 1,800	80.4%	66.6%

SRMC Main Campus ED Visits (After Redirection)		
	Year 1	Year 2
	7/2017 - 6/2018	7/2018 - 6/2019
Rooms	26	26
ED Visits	35,453	36,694
Visits/Room	1,364	1,411
Utilization @ 1,500	90.9%	94.1%
Utilization @ 1,800	75.8%	78.4%

Total SRMC ED Visits, Main Campus and Sumner Station		
	Year 1	Year 2
	7/2017 - 6/2018	7/2018 - 6/2019
Rooms	30	31
ED Visits	41,242	42,686
Visits/Room	1,375	1,377
Utilization @ 1,500	91.6%	91.8%
Utilization @ 1,800	76.4%	76.5%

In conclusion, the Satellite ED can be expected to achieve 66.6% utilization by its second year of operation using 1,800 visits per room per year. The SRMC EDs combined will remain at approximately 76.5% utilization in years 1 and 2 of the project at 1,800 visits per room per year.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

   - All projects should have a project cost of at least $3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
   - The cost of any lease (building, land and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. NOTE: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
   - The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
   - For projects that include new construction, modification, and/or renovation; **documentation must be** provided from a contractor and/or architect that support the estimated construction costs.

   RESPONSE: The CON filing fee is calculated at a rate of $2.25 per $1,000 of project costs as reported on Line D.

   Moveable equipment in Line A.8, over $50,000, include:

   - Portable Radiographic Equipment
   - Diagnostic Ultrasound
   - Chemistry Analyzer
   - Coagulation Analyzer
   - Central Monitor for the nursing station

   This project involves the renovation of existing shell space. Please see **Attachment C, Economic Feasibility – 1 (Tab 11)** for a letter supporting the construction costs.

SUPPLEMENTAL

PROJECT COSTS CHART

A.	Construction and equipment acquired by purchase:	
1.	Architectural and Engineering Fees	$352,800
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$100,000
3.	Acquisition of Site	
4.	Preparation of Site	
5.	Construction Costs	$2,940,000
6.	Contingency Fund (Owner's Contingency)	$294,000
7.	Fixed Equipment (Not included in Construction Contract)	
8.	Moveable Equipment	$1,227,697
9.	Other	$676,200
B.	Acquisition by gift, donation, or lease:	
1.	Facility (inclusive of building and land)	1,475,159
2.	Building only	
3.	Land only	
4.	Equipment (Specify) _____	
5.	Other (Specify) _____	
C.	Financing Costs and Fees:	
1.	Interim Financing	
2.	Underwriting Costs	
3.	Reserve for One Year's Debt Service	
4.	Other (Specify)	
D.	Estimated Project Cost (A+B+C)	$7,065,856
E.	CON Filing Fee	$15,898
F.	Total Estimated Project Cost (D+E)	$7,081,754
	TOTAL	$7,081,754

2. Identify the funding sources for this project.
Please check the applicable item(s) below and briefly summarize how the project will be financed. ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)***

___ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

___ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

___ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.

___ D. Grants--Notification of intent form for grant application or notice of grant award; or

__X__ E. Cash Reserves **(See Letter - Tab 12)**

___ F. Other—Identify and document funding from all other sources.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

RESPONSE: At an average renovation cost of $288 per square foot, this project is comparable to other recently approved Tennessee CON projects. Exhibit 16, below, lists the average hospital renovation cost per square foot for all CON-approved applications for years 2012 through 2014.

EXHIBIT 16
HOSPITAL CONSTRUCTION COST PER SQUARE FOOT
APPROVED PROJECTS, 2012 - 2014

	Renovated Construction	New Construction	Total Construction
1st Quartile	$110.98/sq ft	$224.09/sq ft	$156.78/sq ft
Median	$192.46/sq ft	$259.66/sq ft	$227.88/sq ft
3rd Quartile	$297.82/sq ft	$296.52/sq ft	$298.66/sq ft

Source: Tennessee HSDA

4. Complete Historical and Projected Data Charts on the following two pages--***Do not modify the Charts provided or submit Chart substitutions!*** Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the ***Proposal Only*** (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

   RESPONSE: Please refer to the completed charts on the four following pages. Historical data are provided for the entire hospital. Projected data are provided for the satellite ED only.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

   RESPONSE: Based on Year 2 projections, the average gross patient charge per emergency department visit is $2,727. The average deduction from gross patient charges, based on contractual allowances and allowances for charity care and bad debt, is approximately 75%, resulting in average net revenue per visit of approximately $684.

HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in January.

			2012	2013	2014
A.	Utilization Data (Adjusted Admissions)		15,146	15,967	16,319
B.	Revenue from Services to Patients				
	1.	Inpatient Services	$175,898,192	$216,941,678	$264,589,929
	2.	Outpatient Services	171,489,000	188,307,150	157,201,017
	3.	Emergency Services	78,129,348	102,802,172	136,365,556
	4.	Other Operating Revenue (Specify) - Misc.	2,186,000	3,093,196	4,398,101
		Gross Operating Revenue	$427,702,540	$511,144,196	$562,554,603
C.	Deductions from Gross Operating Revenue				
	1.	Contractual Adjustments	$288,553,000	$353,807,000	$409,226,538
	2.	Provision for Charity Care	8,372,000	9,247,000	7,251,498
	3.	Provisions for Bad Debt	18,874,000	24,814,000	22,524,972
		Total Deductions	$315,799,000	$387,868,000	$439,003,008
NET OPERATING REVENUE			$111,903,540	$123,276,196	$123,551,595
D.	Operating Expenses				
	1.	Salaries and Wages	$50,953,000	$54,846,000	$57,493,341
	2.	Physician's Salaries and Wages			
	3.	Supplies	17,051,000	17,517,000	18,183,000
	4.	Taxes	6,852,000	9,743,000	7,288,125
	5.	Depreciation	9,691,000	8,501,000	8,547,000
	6.	Rent	521,000	1,242,334	1,306,000

7.	Interest, other than Capital			
8.	Management Fees:			
	a. Fees to Affiliates	4,089,000	4,408,000	4,892,000
	b. Fees to Non-Affiliates			
9.	Other Expenses (Specify)	18,608,000	19,353,000	23,660,011
	Total Operating Expenses	$107,765,000	$115,610,334	$121,369,477
E.	Other Revenue (Expenses) - Net (Specify)			
NET OPERATING INCOME (LOSS)		$4,138,540	$7,665,862	$2,182,118
F.	Capital Expenditures			
1.	Retirement of Principal			
2.	Interest			
	Total Capital Expenditures	$0	$0	$0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$4,138,540	$7,665,862	$2,182,118

Detail of Other Expenses			
Professional Fees	$2,628,000	$3,510,000	$5,483,120
Contract Services	$5,651,000	$5,791,000	$7,083,207
Repairs and Maintenance	$3,527,000	$3,890,000	$4,033,034
Utilities	$2,676,000	$2,743,000	$3,105,280
Insurance	$886,000	$692,000	$778,370
Other Operating Expenses (Marketing, recruiting etc)	$3,240,000	$2,727,000	$3,177,000
Total	$18,608,000	$19,353,000	$23,660,011

SUPPLEMENTAL #1
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MAIN HOSPITAL ED
HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in January. (Numbers reported in thousands)

		2012	2013	2014
A.	Utilization Data (ER Visits)	37,193	38,403	37,147
B.	Revenue from Services to Patients			
1.	Inpatient Services			
2.	Outpatient Services			
3.	Emergency Services	$78,129	$102,802	$136,366
4.	Other Operating Revenue (Specify) - Misc.			
	Gross Operating Revenue	$78,129	$102,802	$136,366
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	$48,588	$68,691	$97,242
2.	Provision for Charity Care	$444	$623	$874
3.	Provisions for Bad Debt	$7,994	$11,301	$15,999
	Total Deductions	$57,026	$80,616	$114,115
NET OPERATING REVENUE		$21,103	$22,186	$22,250
D.	Operating Expenses			
1.	Salaries and Wages	$2,843	$3,089	$3,088
2.	Physician's Salaries and Wages			
3.	Supplies	$1,488	$1,536	$1,486
4.	Taxes	$6,254	$6,517	$6,540
5.	Depreciation			
6.	Rent			
7.	Interest, other than Capital			
8.	Management Fees:			
	a. Fees to Affiliates			
	b. Fees to Non-Affiliates			
9.	Other Expenses (Specify)	$738	$851	$907

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Total Operating Expenses	$11,322	$11,993	$12,021
E. Other Revenue (Expenses) - Net (Specify)			
NET OPERATING INCOME (LOSS)	$9,781	$10,193	$10,229
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	$0	$0	$0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	$9,781	$10,193	$10,229

Detail of Other Expenses

Profees (Physician ER Group stipend)	$699	$745	$755
IT&S	$10	$78	$103
Repairs & Maintenence	$21	$23	$30
Other (Training and Education, Travel, etc...)	$8	$5	$19
Total	$738	$851	$907

SUPPLEMENTAL #1
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SATELLITE ED ONLY
PROJECTED DATA CHART

Give us information for the two (2) years following the completion of this proposal. The fiscal year begins in January. (Numbers reported in thousands)

		Year 1 7/17-6/18	Year 2 7/18-6/19
A.	Utilization Data (Admissions)	5,789	5,992
B.	Revenue from Services to Patients		
1.	Inpatient Services		
2.	Outpatient Services		
3.	Emergency Services	$18,223	$19,145
4.	Other Operating Revenue (Specify)		
	Gross Operating Revenue	$18,223	$19,145
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	$12,592	$13,252
2.	Provision for Charity Care	$120	$130
3.	Provisions for Bad Debt	$2,067	$2,167
	Total Deductions	$14,779	$15,549
NET OPERATING REVENUE		$3,444	$3,596
D.	Operating Expenses		
1.	Salaries and Wages	$686	$704
2.	Physician's Salaries and Wages		
3.	Supplies	$365	$391
4.	Taxes	631	667
5.	Depreciation	$250	$250
6.	Rent		
7.	Interest, other than Capital		
8.	Management Fees: a. Fees to Affiliates		
	b. Fees to Non-Affiliates		

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9.	Other Expenses (See details below)	$524	$541
	Total Operating Expenses	$2,456	$2,553
E.	Other Revenue (Expenses) -- Net (Specify)		
NET OPERATING INCOME (LOSS)		$987	$1,043
F.	Capital Expenditures		
1.	Retirement of Principal		
2.	Interest		
	Total Capital Expenditures	$0	$0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$987	$1,043

PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES		Year 1 7/17-6/18	Year 2 7/18-6/19
1.	E/R Physician Coverage Subsidy	$255	$263
2.	Information Systems Fees	$231	$238
3.	Repairs & Maintenance	$38	$40
4.			
5.			
6.			
7.			
	Total Other Expenses	**$524**	**$541**

SUPPLEMENTAL #1
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MAIN HOSPITAL ED ONLY
PROJECTED DATA CHART

Give us information for the two (2) years following the completion of this proposal. The fiscal year begins in January. (Numbers reported in thousands)

		Year 1 7/17-6/18	Year 2 7/18-6/19
A.	Utilization Data (ER Visits)	35,453	36,694
B.	Revenue from Services to Patients		
1.	Inpatient Services		
2.	Outpatient Services		
3.	Emergency Services	$111,602	$117,242
4.	Other Operating Revenue (Specify)		
	Gross Operating Revenue	$111,602	$117,242
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	$77,116	$81,156
2.	Provision for Charity Care	$700	$750
3.	Provisions for Bad Debt	$12,692	$13,319
	Total Deductions	$90,508	$95,225
NET OPERATING REVENUE		$21,095	$22,016
D.	Operating Expenses		
1.	Salaries and Wages	$3,114	$3,223
2.	Physician's Salaries and Wages		
3.	Supplies	$1,418	$1,468
4.	Taxes	6,105	6,403
5.	Depreciation		
6.	Rent		
7.	Interest, other than Capital		
8.	Management Fees: a. Fees to Affiliates		
	b. Fees to Non-Affiliates		

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9.	Other Expenses (See details below)	$908	$908
	Total Operating Expenses	$11,545	$12,002
E.	Other Revenue (Expenses) -- Net (Specify)		
NET OPERATING INCOME (LOSS)		$9,549	$10,015
F.	Capital Expenditures		
1.	Retirement of Principal		
2.	Interest		
	Total Capital Expenditures	$0	$0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$9,549	$10,015

PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 1 7/17-6/18	Year 2 7/18-6/19
1. Profees (Physician ER Group stipend)	$755	$755
2. IT&S	$103	$103
3. Repairs & Maintenence	$30	$30
4. Other (Training and Education, Travel, etc...)	$20	$20
5.		
6.		
7.		
Total Other Expenses	**$908**	**$908**

SUPPLEMENTAL #1
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HOSPITAL WIDE
PROJECTED DATA CHART

Give us information for the two (2) years following the completion of this proposal. The fiscal year begins in January. (Numbers reported in thousands)

		Fiscal Yr 2017	Fiscal Yr 2018
A.	Utilization Data (Adj Admits)	18,018	18,739
B.	Revenue from Services to Patients		
1.	Inpatient Services	$310,032	$319,845
2.	Outpatient Services	$219,759	$226,170
3.	Emergency Services	$141,934	$152,579
4.	Other Operating Revenue (Specify)	$2,598	$2,650
	Gross Operating Revenue	$674,323	$701,244
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	$514,715	$536,334
2.	Provision for Charity Care	$6,459	$6,730
3.	Provisions for Bad Debt	$19,850	$20,684
	Total Deductions	$541,024	$563,748
NET OPERATING REVENUE		$133,299	$137,496
D.	Operating Expenses		
1.	Salaries and Wages	$57,774	$58,558
2.	Physician's Salaries and Wages	4,200	6,200
3.	Supplies	$18,289	$18,654
4.	Taxes	9,801	9,927
5.	Depreciation	$9,150	$9,600
6.	Rent	$1,446	$1,475
7.	Interest, other than Capital		
8.	Management Fees: a. Fees to Affiliates	5,000	5,000
	b. Fees to Non-Affiliates		
9.	Other Expenses (See details below)	$22,370	$22,818

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Total Operating Expenses	$128,030	$132,232
E. Other Revenue (Expenses) -- Net (Specify)		
NET OPERATING INCOME (LOSS)	$5,269	$5,264
F. Capital Expenditures		
1. Retirement of Principal		
2. Interest		
Total Capital Expenditures	$0	$0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	$5,269	$5,264

PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2017	Year 2018
1. Professional Fees	$6,087	$6,209
2. Contract Services	$7,189	$7,333
3. Repairs & Maintenance	$3,926	$4,005
4. Utilities	$3,202	$3,266
5. Other Operating	$1,152	$1,175
6. Insurance	$814	$830
7.		
Total Other Expenses	**$22,370**	**$22,818**

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

RESPONSE: SRMC presents the current and projected charges for an emergency department visit in Exhibit 17. An annual increase of 5% between 2014 and Year 1 of the project is projected. Afterwards, the hospital assumes that charges will increase by 1.5% annually. As demonstrated in Exhibit 18, SRMC's emergency department charges compare favorably with other providers in the service area.

EXHIBIT 17
SRMC EMERGENCY DEPARTMENT, HOSPITAL-BASED AND SATELLITE
AVERAGE GROSS CHARGE PER VISIT, CURRENT AND PROJECTED

	Current	Year 1	Year 2
Gross Charge	$2,998	$3,148	$3,195
Adjustment	$2,419	$2,553	$2,595
Net Revenue	$579	$595	$600

Source: Internal Data

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE: Comparison charge data for emergency department visits is very limited. To compare its charges with similar facilities, SRMC relied upon Medicare data from the American Hospital Directory (AHD) or ahd.com, as a source. SRMC profiled the same five area hospitals serving Sumner County as presented above, from the AHD database.

Average charges per visit ranged from a low of $776 to a high of $1,443 with SRMC at $1,135. However, service mix indexes, a measure of patient severity, ranged from a low of 1.93 to a high of 4.64 with SRMC at 3.92. Adjusting the average charge by the service mix index resulted in a range of charges from a low of $290 to a high of $402 with SRMC as the lowest cost provider at $290. Please see **Exhibit 18**, which profiles the emergency department average charge data for the area hospitals.

EXHIBIT 18
SELECTED HOSPITALS TREATING SUMNER COUNTY PATIENTS
2013 AVERAGE GROSS CHARGE AND ACUITY PER MEDICARE EMERGENCY ROOM VISIT
MEDICARE CLAIMS DATA FOR CALENDAR YEAR ENDING 12/31/2013 (FINAL RULE OPPS)

Service - Emergency Room	Patient Claims	Units of Service	Average Charge	Service Mix Index	Svc Mix Adjusted Avg Charge to 1.00
Sumner Regional Medical Center	4,035	4,047	$1,135	3.92	$289.54
Vanderbilt University Hospital	6,082	6,091	$1,443	4.64	$310.99
TriStar Hendersonville Med Center	5,404	5,822	$776	1.93	$402.07
TriStar Skyline Med Center	7,818	8,166	$839	2.25	$372.89
TriStar Portland Med Center*	-	-	-	-	-

*Began emergency services in 2014
Source: American Hospital Directory, ahd.com

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

RESPONSE: SRMC is already financially feasible. Emergency services are an essential hospital responsibility to the community. This proposal will enhance SRMC's current service line by expanding emergency department capacity off the main hospital campus. This will accomplish two important goals. First, it will decompress services already limited by space constraints in downtown Gallatin. Second, it will bring services closer to the communities where SRMC's patients now work and reside. This is vitally important for emergency services where ever minute counts. As indicated in the Projected Data Chart, projected utilization will be sufficient to continue to allow SRMC to operate efficiently and effectively. As this project is based strictly on the redirection of a portion of SRMC's existing ED patients from the main hospital campus to the satellite location, it will result in a corresponding "loss" of revenues at the main hospital ED in the initial years after the service is offered. However, this "loss" will be offset by the resulting patient revenues attained at the satellite location.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

RESPONSE: As indicated in the Projected Data Chart, projected cash flow will ensure financial viability within two years and over the long-term.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

RESPONSE: SRMC currently participates in both the Medicare and TennCare/Medicaid programs and has a history of providing care regardless of payor source. Using 2013 Joint Annual Report data, SRMC had an estimated payor mix (based on gross charges) that was 49.7% Medicare, 13.9% Medicaid/TennCare and 8.7% self pay. Additionally, based on the 2013 JAR, SRMC provided $9,236,720 in care to charity/medically indigent patients (accounting for 7.1% of net

patient charges of $129,256,657). During the first year of operation, SRMC's satellite ED payor mix is anticipated to be 49.7% Medicare and 13.9% Medicaid/TennCare. This amounts to approximately $7,607,082 in Medicare gross charges in Year 1 and $2,127,534 Medicaid/TennCare gross charges in Year 1. In addition, SRMC proposes to provide $120,000 in charity care in Year 1.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

RESPONSE: Please see **Attachment C, Economic Feasibility – 10 (Tabs 13 and 14)**.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

RESPONSE: Although considered, renovating and enlarging the existing emergency department at Sumner Regional Medical Center is not a viable option. The emergency department at SRMC is located in a basement area, and due to the facility layout, is unable to expand. The three treatment rooms added in 2014 represent the area's maximum capacity. To attempt to expand further would be cost prohibitive. As SRMC's campus has become increasingly crowded, the hospital has been actively pursuing a strategy of moving outpatient services into other areas of the surrounding communities, specifically at Sumner Station. This is evidenced generally by the development of outpatient diagnostic services and cancer services.

Emergency services are an essential hospital responsibility to the community. This proposal will enhance SRMC's current service line by expanding emergency department capacity off the main hospital campus. This will accomplish two important goals. First, it will decompress services already limited by space constraints in downtown Gallatin. Second, it will bring services closer to the communities where SRMC's patients now work and reside. This is vitally important for emergency services where every minute counts.

With regard to this particular project, SRMC already owns the shelled space for the proposed emergency department, its Sumner Station outpatient facility. This will allow the project to be completed exclusively in renovated space, a much more cost efficient option than new construction. Additionally, Sumner Station already operates a full service imaging center that will be utilized by the proposed emergency department, saving millions of dollars in duplicate equipment and construction costs.

Thus, this project addresses the site deficiency at SRMC's existing in-town campus and does so in a cost-effective approach by leveraging existing imaging services in Gallatin.

b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that

superior alternatives have been implemented to the maximum extent practicable.

RESPONSE: As discussed above, further modernization/expansion of the existing emergency department in downtown Gallatin was not a viable alternative. With the existing emergency department suffering from space constraints and seeing increasing utilization, SRMC has been actively pursuing a strategy of moving key outpatient services into its Sumner Station outpatient facility.

As discussed, SRMC already owns the shelled space for the proposed emergency department, its Sumner Station outpatient facility. This will allow the project to be completed exclusively in renovated space, a much more cost efficient option than new construction. Additionally, Sumner Station already operates a full service imaging center that will be utilized by the proposed emergency department, saving millions of dollars in duplicate equipment and construction costs.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

   RESPONSE: Lists of managed care contracts and provider contracts are attached under Attachment C, Contribution to the Orderly Development of Health Care - 1.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

   RESPONSE: SRMC's proposal will have a positive impact on the health care system, through improved patient convenience. As documented previously, population growth alone from 2015 to 2020 is expected to generate demand for an additional five to seven emergency treatment rooms in Sumner County, four to six of which are required in the proposed two zip code satellite ED service area. These are incremental emergency treatment rooms, and thus would have no effect on the utilization rates of existing providers in the service area.

   That said, SRMC's satellite ED need methodology assumptions propose strictly to redirect its own existing patients from the SRMC main campus to the proposed Sumner Station satellite ED facility, with absolutely no impact on outside providers.

   Service area residents will experience a positive impact by having increased access to SRMC's emergency services closer to their communities, where they work and live. This is vitally important for emergency services where ever minute counts.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

   RESPONSE: Exhibit 19 illustrates current and proposed staffing levels for the proposed project. SRMC proposes adding 41.9 FTEs.

EXHIBIT 19
CURRENT AND PROPOSED STAFFING LEVELS
SATELLITE ED AT SUMNER STATION
(FULL TIME EQUIVALENTS)

Position	Current	Proposed	Difference
Lab	0.0	5.2	5.2
Nursing and Respiratory Therapy	0.0	24.1	24.1
Imaging	0.0	4.2	4.2
Registration	0.0	4.2	4.2
Physician	0.0	4.2	4.2
TOTAL	**0.0**	**41.9**	**41.9**

SRMC has a history of successfully retaining professional and administrative staff because it provides competitive benefits and compensation, and provides a supportive work environment.

Exhibit 20 profiles comparable positions and salaries for the Nashville-Davidson-Murfreesboro MSA. SRMC's salaries and wages, before benefits, are competitive with the market. The proposed project's average proposed annual salary for registered nurses is $59,488. These values are within the ranges for the Nashville-Davidson-Murfreesboro MSA.

EXHIBIT 20
NASHVILLE-DAVIDSON-MURFREESBORO MSA
MAY 2014 ANNUAL WAGE RATES

Position	25th Pctile	Mean	Median	75th Pctile
Registered Nurse	$49,340	$59,310	$58,870	$69,550

SOURCE: ANNUAL SALARY BLS OCCUPATIONAL EMPLOYMENT STATISTICS SURVEY DATA

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

RESPONSE: SRMC proposes adding 41.9 FTEs. SRMC has a history of successfully recruiting professional and administrative staff. It provides competitive benefits and compensation, and is committed to the retention of existing personnel. Please see **Attachment C, Contribution to the Orderly Development of Health Care – 4 (Tab 16)** for the CVs of physicians that will participate at the Satellite ED.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

RESPONSE: SRMC has reviewed and understands the licensure and certification requirements for medical and clinical staff. The Satellite ED will rely on the experience and expertise of the emergency department physicians now at SRMC. The proposed full service, 24-hour-per-day/7-day-per-week satellite emergency department facility will be a satellite of the main emergency

department at SRMC and will be under the sole administrative control of SRMC. As an existing licensed and Joint Commission-accredited facility, SRMC has administrative policies and procedures in place to ensure that licensure and certification requirements are followed. Furthermore, SRMC maintains quality standards that are focused on continual improvement. Please see **Attachment C, Contribution to the Orderly Development of Health Care – 5** for copies of its Continuous Quality Improvement Plan **(Tab 17)**, and Utilization Review Plan **(Tab 18)** and Patient Rights and Responsibilities **(Tab 19)**.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (*e.g.,* internships, residencies, etc.).

RESPONSE: SRMC participates in many regional healthcare teaching and training programs. Each of these clinical rotations provides the student with hands-on training in their particular area of study. Students are assigned to preceptors from within each department of study to provide supervision and to act as the instructor in their field of expertise. The following clinical affiliations are in place for SRMC:

ER Medical Resident and Medical Student Program – SRMC currently has 12 medical residents in the class this year, increasing to 13 students next year. Each second year resident and each third year Emergency Medicine resident rotates to SRMC for a two week rotation each year (the equivalent of 1 FTE resident per month for all 12 months is provided). Additionally, SRMC also rotates through approximately 100 medical students yearly for 2-3 shifts each month. These medical students complete an observational day in ED and are assigned to the SRMC Emergency Physicians.

Medical Imaging – Students are assigned within the varied sections of medical imaging; x-ray, ultrasound, CT, MRI etc.

Respiratory Therapy – Students are assigned to routine care, critical care, emergency department and code team.

Nursing – Student from multiple schools are assigned to the Emergency Department (as well as other units) to gain advanced critical care knowledge. These students are precepted by nurses from the critical care areas.

Pharmacy – Students from multiple schools and at different levels within their pharmacy education participate in all facets of the pharmacy.

EMT/AEMT/Paramedics – Students from all three levels of emergency response students are assigned to the Emergency department. Their participation ranges from observation to hands on procedures depending upon their level of training.

Nurse Anesthetists – Nurse anesthetist students are assigned to the SRMC anesthesiologists for hands on training.

There are additional, less frequent students from other ancillary departments such as, Rehab, Nutrition, HIM, Informatics, Sleep study and Administration.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

RESPONSE: As an existing hospital, SRMC is licensed by the Tennessee Department of Health. SRMC has reviewed and understands the licensure requirements. The proposed full service, 24-hour-per-day/7-day-per-week satellite emergency department facility will be a satellite of the main emergency department at SRMC and will be under the sole administrative control of SRMC.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: Board of Licensing Health Care Facilities, State of Tennessee, Department of Health.

Accreditation: SRMC is accredited by The Joint Commission (on Accreditation of Healthcare Organizations). Please see **Attachment C, Contribution to the Orderly Development of Health Care – 7.(b) (Tab 20)** for the most recent report.

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

RESPONSE: Please see **Attachment C, Contribution to the Orderly Development of Health Care – 7.(c) (Tab 21).** The current license is valid until June 25, 2016.

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

RESPONSE: Please see **Attachment C, Contribution to the Orderly Development of Health Care – 7.(d)** for a copy of the most recent licensure/certification inspection report **(Tab 22)** and plan of corrective action **(Tab 23)**.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

RESPONSE: There have been no final orders or judgments placed against SRMC or any entity or person with more than 5 percent ownership.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

RESPONSE: There have been no civil or criminal judgments against SRMC or any entity or person with more than 5 percent ownership.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number, and type of procedures performed, and other data as required.

RESPONSE: Yes, SRMC will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number, and type of procedures performed, and other data as required. Additionally, SRMC submits a Joint Annual Report (JAR) to the Department of Health and will continue to do so.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Please see **Attachment D – Proof of Publication (Tabs 24-25).**

DEVELOPMENT SCHEDULE

Tennessee Code Annotated §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

2. **If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.**

   RESPONSE: The project completion schedule below reflects the anticipated schedule for the construction project.

Form HF0004
Revised 02/01/06
Previous Forms are obsolete

PROJECT FORECAST COMPLETION CHART

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c): November 2015

Assuming the CON approval becomes the final agency action on that date; indicate the number of days **from the above agency decision date** to each phase of the completion forecast.

Phase	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1. Architectural and engineering contract signed	30	Dec-15
2. Construction documents approved by the Tennessee Department of Health	180	May-16
3. Construction contract signed	240	Jul-16
4. Building permit secured	270	Aug-16
5. Site preparation completed	N/A	N/A
6. Building construction commenced	270	Aug-16
7. Construction 40% complete	360	Nov-16
8. Construction 80% complete	420	Jan-17
9. Construction 100% complete (approved for occupancy)	480	Mar-17
10. *Issuance of license	570	Jun-17
11. *Initiation of service	580	Jul-17
12. Final Architectural Certification of Payment	580	Jul-17
13. Final Project Report Form (HF0055)	640	Sep-17

* **For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Sumner

Michael Herman being first duly sworn, says that he/she is the applicant named in this application or his/her lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

SIGNATURE/TITLE

Sworn to and subscribed before me this 10th day of August (Month) 2015 (Year) a Notary

Public in and for the County/State of Sumner County, Tennessee

NOTARY PUBLIC

My commission expires October 28 (Month/Day), 2018 (Year).

Certificate of Need Application
Sumner Regional Medical Center

August 2015

LISA R. WEBB
STATE OF TENNESSEE NOTARY PUBLIC
SUMNER COUNTY
My Commission Expires October 28, 2018

TABLE OF CONTENTS

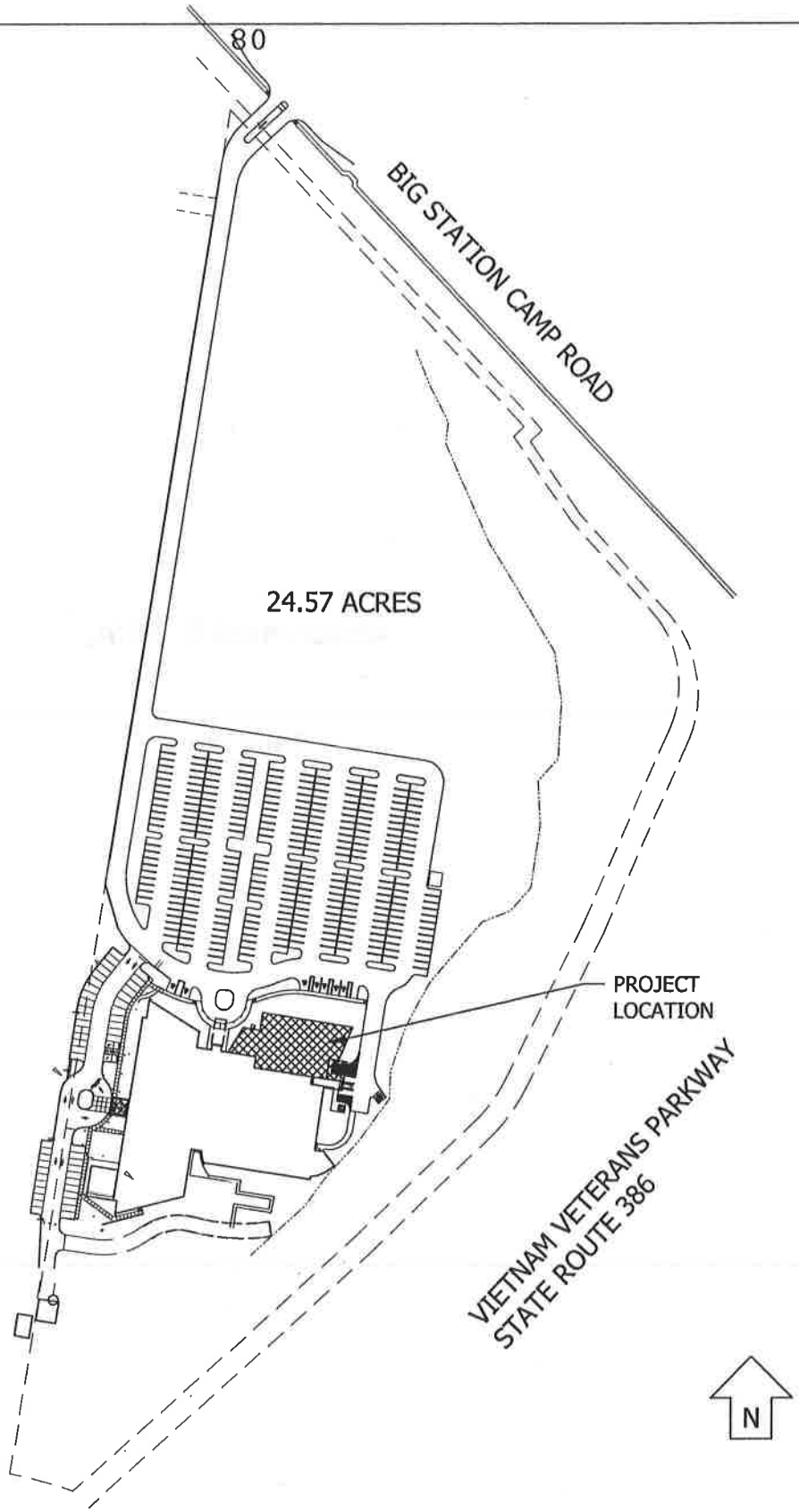
Attachment B

Plot Plan
Maps of Service Area Access
Schematics

Tab 7

Attachment B, III.(A)

Plot Plan



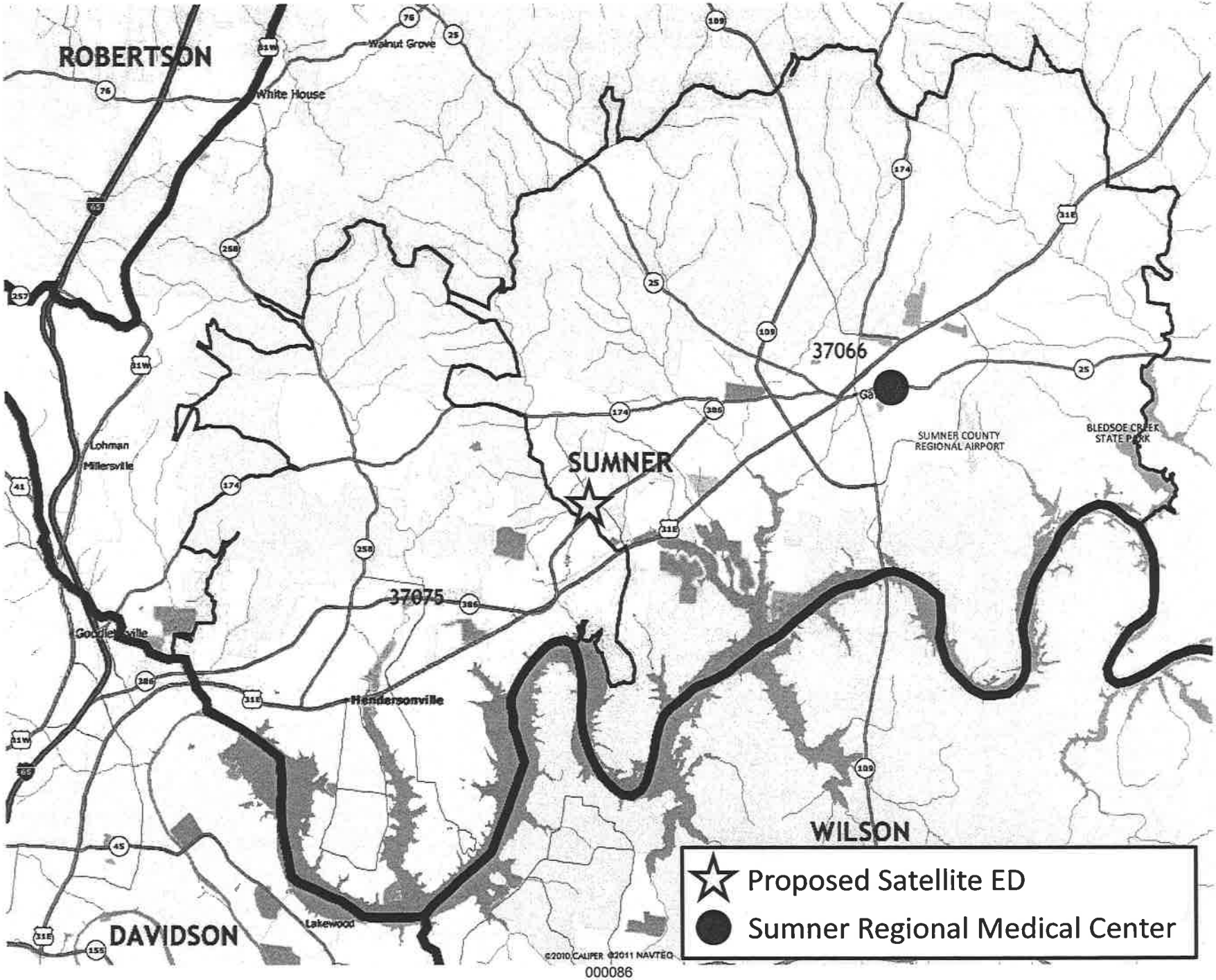
FREESTANDING EMERGENCY DEPARTMENT at SUMNER STATION for SUMNER REGIONAL MEDICAL CENTER

GALLATIN, TN 37066
08/14/2015 - C.O.N. SUBMITTAL - NOT FOR CONSTRUCTION
HMK ARCHITECTS PLLC

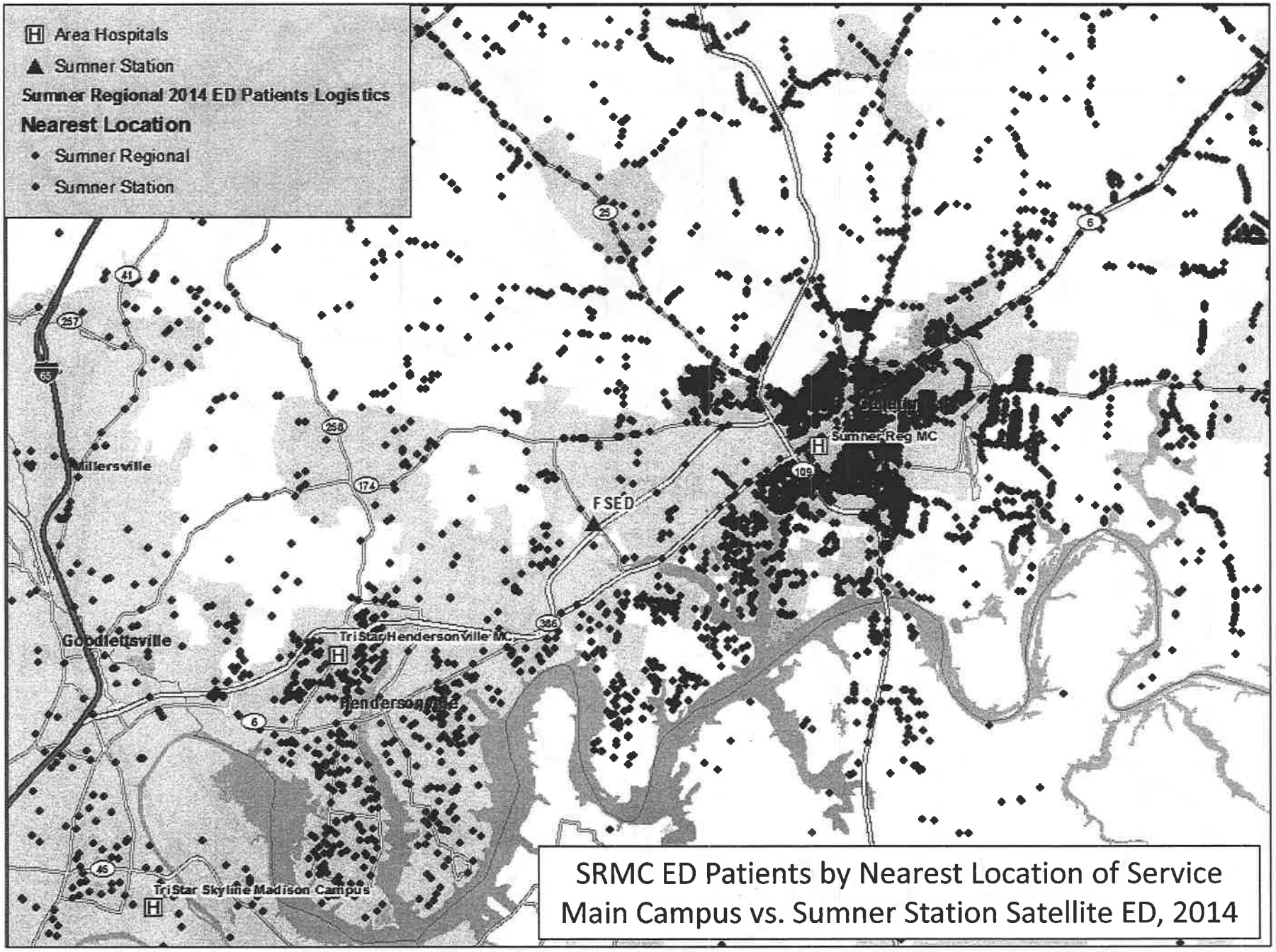
Tab 8

Attachment B, III.(B).1

Maps of Service Area Access


ROBERTSON
White House
Walnut Grove
37066
SUMNER
SUMNER COUNTY REGIONAL AIRPORT
BLEDSOE CREEK STATE PARK
Lohman
Millersville
37075
Goodlettsville
Hendersonville
Lakewood
DAVIDSON
WILSON
Proposed Satellite ED
Sumner Regional Medical Center
©2010 CALIPER ©2011 NAVTEQ

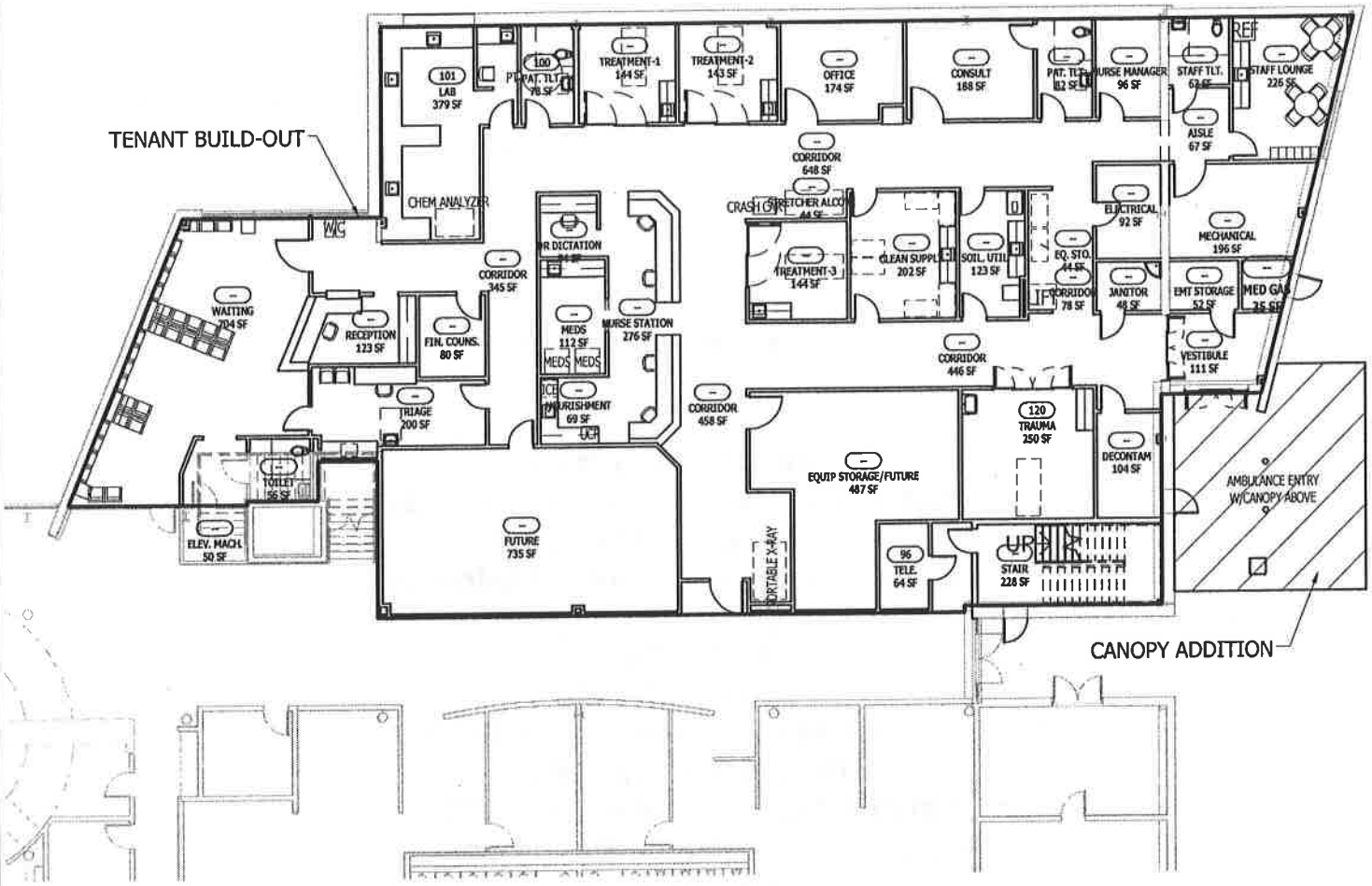
000086


Area Hospitals
Sumner Station
Sumner Regional 2014 ED Patients Logistics
Nearest Location
Sumner Regional
Sumner Station
Sumner Reg MC
FSED
Millersville
Goodlettsville
TriStar Hendersonville MC
Hendersonville
TriStar Skyline Madison Campus
SRMC ED Patients by Nearest Location of Service
Main Campus vs. Sumner Station Satellite ED, 2014

Tab 9

Attachment B, IV

Schematics



FREESTANDING EMERGENCY DEPARTMENT at SUMNER STATION for SUMNER REGIONAL MEDICAL CENTER

GALLATIN, TN 37066

TOTAL DEPT SF = 10,210 SF

08/14/2015 - C.O.N. SUBMITTAL - NOT FOR CONSTRUCTION

HMK ARCHITECTS PLLC

Attachment C

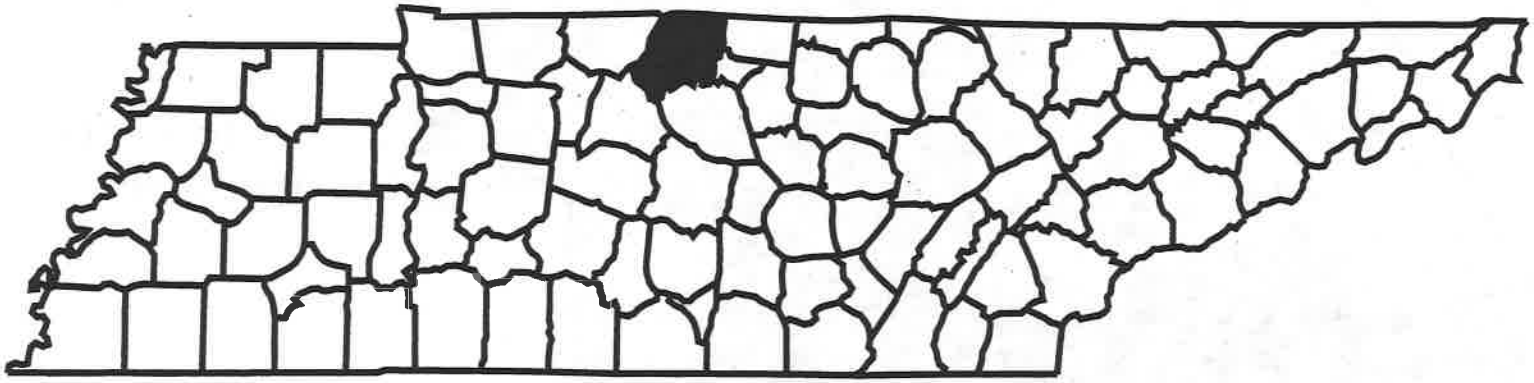
Service Area Map
Construction Costs Verification Letter
Verification of Funding
Balance Sheet and Income Statement
Audited Financials
Letters of Support
Physician CVs
Continuous Quality Improvement Plan
Utilization Review Plan
Patient Rights and Responsibilities
The Joint Commission Documentation
Hospital License
Inspection Report
Plan of Corrective Action

Tab 10

Attachment C
Need - 3

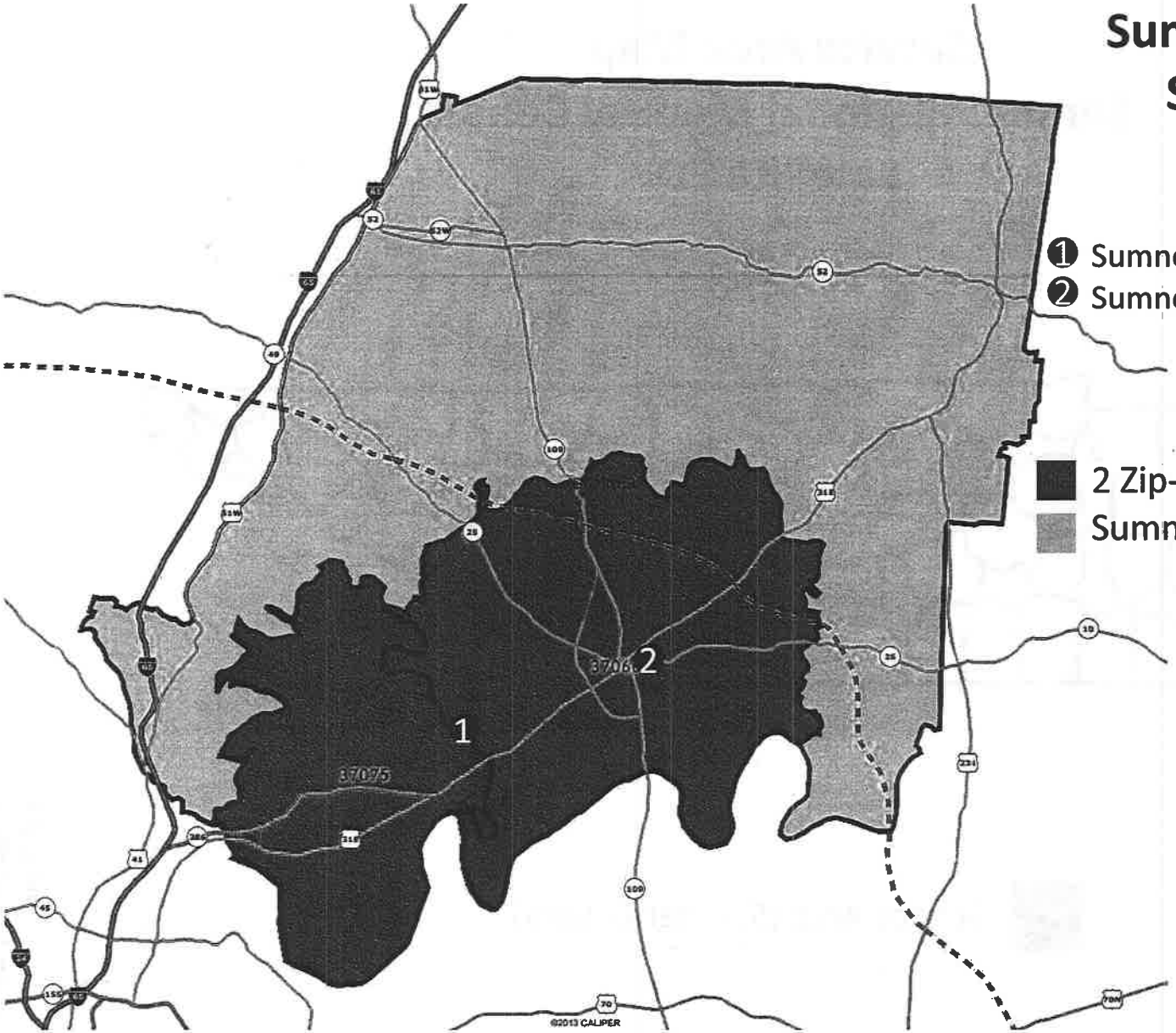
Service Area Map

Service Area Map
Sumner Regional Medical Center
Satellite ED



Service Area (Sumner County)

Sumner Regional Satellite ED Area Map



❶ Sumner Station
❷ Sumner Regional Medical Center

2 Zip-Code Service Area
Sumner County

92

Tab 11

Attachment C
Economic Feasibility - 1

Construction Costs Verification Letter

HMK
ARCHITECTS PLLC

August 14, 2015

Ms. Melanie Hill
Executive Director
State of Tennessee
Health Services and Development Agency
500 Deadrick Street, Suite 850
Nashville, TN 37243

RE: Sumner Regional Medical Center-Sumner Station Facility
Freestanding Emergency Department - Verification of Construction Cost

Dear Ms. Hill:

We have reviewed the construction cost developed for a Freestanding Emergency Department proposed for SRMC's Sumner Station facility. The construction cost of $2,940,000.00 is based on 10,210 square feet of interior renovation for the emergency department treatment rooms and its support spaces.

It is our professional opinion that the construction cost proposed which equates to $288.00 per square foot is consistent with historical data based on our experience with similar type projects. It is important to note, that our opinion is based on normal market conditions, price escalation, etc.

The project will be developed under the current codes and standards enforced by the State of Tennessee as follows:

2012 International Building Code/2012 International Mechanical Code/2012 International Plumbing Code
2012 International Gas Code
2011 National Electrical Code
2012 NFPA 1, excluding NFPA 5000
2012 NFPA 101, Life Safety Code
2010 FGI Guidelines for the Design and Construction of Health Care Facilities
2002 North Carolina Accessibility Code with 2004 Amendments/2010 Americans with Disabilities Act (ADA)

Sincerely,

HMK ARCHITECTS PLLC

Donald C. Miller, NCARB, AIA – [TN License No. 100019]

Tab 12

Attachment C
Economic Feasibility - 2

Verification of Funding

LIFEPOINT
HEALTH

August 6, 2015

Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Re: Sumner Regional Medical Center – Certificate of Need to Open Freestanding Emergency Department

Dear Ms. Hill:

I am the Central Group Chief Financial Officer of LifePoint Health ("LifePoint"), the parent organization of Sumner Regional Medical Center ("SRMC"). This letter confirms that LifePoint has sufficient resources to fund the cost of approximately $5,603,276 for SRMC's project to open a freestanding emergency department at its Sumner Station Campus. LifePoint is committed to make these funds available to SRMC.

Thank you for your attention to this matter.

Very truly yours,

Jonathan C. Wall
Chief Financial Officer, Central Group

330 Seven Springs Way, Brentwood, Tennessee 37027
Phone 615.920.7000

LIFEPOINTHEALTH.NET

Tab 13

Attachment C
Economic Feasibility - 10

Balance Sheet and Income Statement

Financial Statements - Balance Sheet

Month				Year to Date		
Begin	Change	Ending		Begin	Change	Ending
			CURRENT ASSETS			
118,433	-194,570	-76,137	Cash & Cash Equivalents	-970,762	894,625	-76,137
			Marketable Securities			
			PATIENT ACCOUNTS RECEIVABLES			
40,096,816	-1,207,026	38,889,792	Patient Receivables	38,582,701	307,091	38,889,792
-257,617	50,086	-207,531	Less Allow for Govt Receivables	-193,527	-14,004	-207,531
-21,216,518	226,262	-20,990,256	Less Allow - Bad Debt	-17,918,152	-3,072,104	-20,990,256
18,622,683	-930,678	17,692,005	Net Patient Receivables	20,471,022	-2,779,017	17,692,005
			FINAL SETTLEMENTS			
-556,593	72,140	-484,453	Due to/from Govt Programs	-586,317	101,864	-484,453
-37,829	0	-37,829	Allowances Due Govt Programs	-38,444	615	-37,829
-594,422	72,140	-522,282	Net Final Settlements	-624,761	102,479	-522,282
18,028,261	-858,538	17,169,723	Net Accounts Receivables	19,846,261	-2,676,538	17,169,723
3,459,940	16,114	3,476,054	Inventories	3,103,738	372,316	3,476,054
842,572	-209,665	632,907	Prepaid Expenses	2,007,424	-1,374,517	632,907
245,929	78,229	324,158	Other Receivables	359,108	-34,950	324,158
22,695,135	-1,168,430	21,526,705	Total Current Assets	24,345,769	-2,819,064	21,526,705
			PROPERTY, PLANT & EQUIPMENT			
6,872,700	0	6,872,700	Land	6,872,700	0	6,872,700
114,417,915	73,948	114,491,863	Bldgs & Improvements	114,417,915	73,948	114,491,863
35,535,166	224,142	35,759,308	Equipment - Owned	29,728,094	6,031,214	35,759,308
			Equipment - Capital Leases			
3,076,208	967,790	4,043,998	Construction in Progress	639,547	3,404,451	4,043,998
159,901,989	1,265,880	161,167,869	Gross PP&E	151,658,256	9,509,613	161,167,869
-36,172,102	-693,409	-36,865,511	Less Accumulated Depreciation	-28,865,173	-8,000,338	-36,865,511
123,729,887	572,471	124,302,358	Net PP&E	122,793,083	1,509,275	124,302,358
			OTHER ASSETS			
			Investments			
9,501	0	9,501	Notes Receivable	0	9,501	9,501
25,810,693	-45,200	25,765,493	Intangible Assets - Net	26,363,719	-598,226	25,765,493
			Investments in Subsidiaries			
163,546	28,481	192,027	Other Assets	100	191,927	192,027
25,973,740	-16,719	25,957,021	Total Other Assets	26,363,819	-406,798	25,957,021
172,398,762	-612,678	171,786,084	Grand Total Assets	173,502,671	-1,716,587	171,786,084
			CURRENT LIABILITIES			
4,514,002	667,221	5,181,223	Accounts Payable	2,772,891	2,408,314	5,181,205
3,494,991	350,550	3,845,541	Accrued Salaries	3,880,706	-35,165	3,845,541
1,560,882	92,720	1,653,602	Accrued Expenses	1,722,136	-68,534	1,653,602
			Accrued Interest			
			Distributions Payable			
469,598	14,800	484,398	Curr Port - Long Term Debt	329,625	154,773	484,398
376,482	-1,017,066	-640,584	Other Current Liabilities	637,544	-1,278,128	-640,584
			Income Taxes Payable			
10,415,955	108,225	10,524,180	Total Current Liabilities	9,342,902	1,181,260	10,524,162
			LONG TERM DEBT			
3,088,833	99,244	3,188,077	Capitalized Leases	3,672,475	-484,398	3,188,077
139,355,984	-1,138,654	138,217,330	Inter/Intra Company Debt	142,943,298	-4,725,968	138,217,330
			Other Long Term Debts			
142,444,817	-1,039,410	141,405,407	Total Long Term Debts	146,615,773	-5,210,366	141,405,407
			DEFFERED CREDITS AND OTHER LIAB			
			Professional Liab Risk			
			Deferred Incomes Taxes			
203,816	28,640	232,456	Long-Term Obligations	23,075	209,381	232,456
203,816	28,640	232,456	Total Other Liabilities & Def	23,075	209,381	232,456
			EQUITY			
			Common Stock - par value			
			Capital in Excess of par value			
17,520,922	0	17,520,922	Retained Earnings - current yr	17,520,916	2,103,125	19,624,041
1,813,252	289,867	2,103,119	Net Income Current Year	0	0	0
			Distributions			
			Other Equity			
19,334,174	289,867	19,624,041	Total Equity	17,520,921	2,103,138	19,624,059
172,398,762	-612,678	171,786,084	Total Liabilities and Equity	173,502,671	-1,716,587	171,786,084

CONS - Sumner Regional Medical Center Flevel

Financial Statements - P & L Statement

Dec 2014

All Entities

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Report ID: ALCFS011

Month						Year to Date				
Prior Yr	Actual	Budget	Bud Var	Bud Var %		Prior Yr	Actual	Budget	Bud Var	Bud Var %
					REVENUES					
2,830	3,431	3,603	(171)	-4.76%	Inpatient Revenue Routine Services	36,491	37,809	42,310	(4,500)	-10.64%
18,487	21,481	19,096	2,386	12.49%	Inpatient Revenue Ancillary Services	201,677	241,071	224,264	16,808	7.49%
22,154	26,390	25,697	693	2.70%	Outpatient Gross Revenue	269,883	279,276	308,605	(29,329)	-9.50%
21,317	24,913	22,698	2,214	9.76%	Inpatient Gross Revenue	238,168	278,881	266,573	12,308	4.62%
81	187	148	40	26.91%	Other Revenue	1,090	2,165	1,209	956	79.06%
43,471	51,303	48,395	2,907	6.01%	Total Patient Revenue	508,052	558,157	575,178	(17,021)	-2.96%
43,551	51,490	48,543	2,947	6.07%	Gross Revenue	509,142	560,322	576,387	(16,066)	-2.79%
					REVENUE DEDUCTIONS					
8,553	12,018	11,431	587	5.13%	Total CY CA - Medicare (1,2)	124,666	135,659	135,227	433	0.32%
(184)	(365)	(365)	(20)	-5.50%	Total CY CA - Medicaid (3)	(3,744)	(2,929)	(4,406)	1,477	33.53%
219	198	211	(14)	-6.45%	Total CY CA - Champus (6)	1,964	3,583	2,567	1,016	39.59%
	1		1		Prior Year Contractuals	265	259		259	
18,333	22,282	20,190	2,093	10.36%	Total CY CA - Mgd Care (7,8,9,12,13)	210,573	237,048	240,043	(2,995)	-1.25%
438	932	708	223	31.52%	Charity	9,247	7,251	11,788	(4,536)	-38.48%
2,026	1,929	2,112	(183)	-8.67%	Bad Debt	24,814	22,525	25,129	(2,604)	-10.36%
3,925	4,046	2,793	1,254	44.88%	Other Deductions	20,084	35,606	33,696	1,911	5.67%
33,310	41,020	37,060	3,940	10.63%	Total Revenue Deductions (Incl Bad Debt	387,868	439,003	444,042	(5,039)	-1.13%
10,241	10,470	11,483	(993)	-8.66%	Cash Revenue	121,274	121,318	132,345	(11,026)	-8.33%
					OPERATING COSTS					
3,932	3,916	4,404	(488)	-11.09%	Salaries and Wages	45,378	47,016	49,197	(2,181)	-4.43%
9	123	10	112	1,093.28%	Contract Labor	450	781	431	350	81.33%
708	794	881	(87)	-9.86%	Employee Benefits	9,018	9,697	9,715	(19)	-0.19%
1,486	1,698	1,355	343	25.34%	Supply Expense	17,517	18,183	17,718	465	2.63%
307	495	346	149	43.23%	Professional Fees	3,510	5,483	4,340	1,143	26.34%
417	584	862	(278)	-32.24%	Contract Services	5,791	7,083	7,162	(78)	-1.09%
318	198	313	(115)	-36.70%	Repairs and Maintenance	3,890	4,033	4,096	(63)	-1.54%
(1,896)	90	110	(20)	-18.27%	Rents and Leases	(761)	1,306	1,125	181	16.05%
223	219	238	(19)	-7.79%	Utilities	2,743	3,105	2,899	206	7.12%
48	64	82	(18)	-21.75%	Insurance	892	778	901	(122)	-13.57%
					Investment Income					
508	454	480	(25)	-5.27%	Non-Income Taxes	5,962	5,893	6,044	(151)	-2.50%
340	326	245	81	33.28%	Other Operating Expense	2,727	944	1,892	(948)	-50.10%
6,399	8,962	9,325	(363)	-3.90%	Cash Expense	96,916	104,303	105,520	(1,217)	-1.15%
3,842	1,508	2,138	(630)	-29.47%	EBITDA	24,357	17,016	26,825	(9,809)	-36.57%
					CAPITAL AND OTHER COSTS					
679	693	783	(89)	-11.43%	Total Depreciation	8,501	8,547	8,802	(255)	-2.89%
					Total Amortization					
					Other Non-Operating Expenses					
367	408	408	0	0.00%	Mgmt Fees and Markup Cost	4,408	4,892	4,892	0	0.00%
126	117	150	(33)	-21.87%	Interest Expense	1,755	1,474	1,748	(274)	-15.70%
					Minority Interest					
1,173	1,218	1,340	(122)	-9.12%	Total Capital and Others	14,663	14,913	15,442	(529)	-3.43%
2,670	290	798	(508)	-63.65%	Pretax Income	9,694	2,103	11,383	(9,280)	-81.52%
					TAXES ON INCOME					
					Federal Income Taxes					
					State Income Taxes					
					Total Taxes on Income					
2,670	290	798	(508)	-63.65%	Net Income	9,694	2,103	11,383	(9,280)	-81.52%
					VOLUME STATS					
665	805	615	190	30.89%	Admissions	7,485	8,154	7,790	364	4.67%
93	103	92	11	11.69%	Average Daily Census	88	101	92	9	9.95%
5,901	6,569	6,089	480	7.88%	Adjusted Patient Days	68,655	73,758	72,322	1,436	1.99%
1,356	1,658	1,311	346	26.42%	Adjusted Admissions	15,967	16,319	16,808	(489)	-2.91%
190	212	198	15	7.88%	AADC	189	202	198	4	1.99%
680	738	723	15	2.07%	Total Surgeries / Pain Cases	8,118	8,179	8,608	(429)	-4.98%
3,370	3,626	3,606	220	6.10%	Emergency Room Visits	38,406	37,147	39,994	(2,847)	-7.12%
4,472	5,658	5,874	(216)	-3.66%	Outpatient Visits	68,092	59,251	76,357	(17,106)	-22.40%
					LABOR PRODUCTIVITY					
45.39%	46.16%	46.20%	(0.04)%	-0.08%	Total Personnel % Cash Rev	45.23%	47.39%	44.84%	2.55%	5.69%
3,428	2,915	4,039	(1,123)	-27.82%	Total Personnel Costs/AA	3,435	3,523	3,531	(8)	-0.21%
788	736	870	(134)	-15.41%	Total Personnel Costs/APD	797	779	821	(41)	-5.00%
856	848	954	(106)	-11.14%	Total FTEs - Employed & Contract	836	868	916	(47)	-5.18%
4.50	4.00	4.66	(0.66)	-17.64%	EEOB	4.43	4.30	4.62	(0.32)	-7.03%
9	123	10	112	1,093.28%	Contract Labor	450	781	431	350	81.33%
					FINANCIAL STATISTICS					
14.51%	16.22%	11.82%	4.40%	37.23%	Supplies % Cash Rev	14.44%	14.99%	13.39%	1.60%	11.95%
252	258	222	36	16.19%	Supplies/APD	254	247	245	2	0.83%
1,096	1,024	1,033	(9)	-0.86%	Supplies/AA	1,097	1,114	1,054	60	5.70%
63	55		55		Net Days - Net Patient Revenue	63	55		55	
62.48%	85.60%	81.35%	4.25%	5.22%	Total Operating Expense/Cash Rev	79.92%	85.97%	79.73%	6.24%	7.83%
1,084	1,364	1,531	(167)	-10.92%	Cash Expense / APD	1,408	1,414	1,459	(45)	-3.08%
4,719	5,406	7,112	(1,706)	-23.98%	Cash Expense / AA	6,070	6,391	6,278	114	1.81%
37.52%	14.40%	18.65%	(4.25)%	-22.77%	EBDITA % CR	20.08%	14.03%	20.27%	(6.24)%	-30.80%
1,735	1,594	1,882	(289)	-15.34%	Cash Revenue/APD	1,781	1,845	1,830	(185)	-10.12%
7,552	8,316	8,742	(2,426)	-27.76%	Cash Revenue/AA	7,595	7,434	7,874	(440)	-5.58%
19.78%	18.42%	18.42%	0.00%	-0.01%	Bad Debt % Cash Rev	20.46%	18.57%	18.99%	(0.42)%	-2.22%
23.07%	25.08%	23.17%	1.91%	8.26%	Bad Debt & Charity % Adj CR	26.04%	23.11%	25.61%	(2.50)%	-9.76%
51.20%	51.32%	47.49%	3.83%	8.07%	Policy 00.1.04 Pat Rev	45.40%	48.85%	47.59%	1.26%	2.64%

Tab 14

Attachment C
Economic Feasibility - 10

Audited Financials

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 000-51251

LifePoint Hospitals, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**20-1538254**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
330 Seven Springs Way Brentwood, Tennessee	**37027**
(Address Of Principal Executive Offices)	*(Zip Code)*

(615) 920-7000

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, par value $.01 per share	NASDAQ Global Select Market
Preferred Stock Purchase Rights	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is

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LifePoint Hospitals, Inc.

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LIFEPOINT HOSPITALS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2014, 2013 and 2012
(In millions, except per share amounts)

	2014	2013	2012
Revenues before provision for doubtful accounts	$5,300.9	$4,428.7	$ 4,016.2
Provision for doubtful accounts	817.8	750.4	624.4
Revenues	4,483.1	3,678.3	3,391.8
Salaries and benefits	2,134.5	1,727.4	1,554.5
Supplies	699.0	577.1	524.6
Other operating expenses	1,087.3	900.9	799.1
Other income	(71.9)	(64.1)	(32.0)
Depreciation and amortization	250.5	228.2	193.1
Interest expense, net	123.0	97.0	100.0
Impairment charges	57.7	—	4.0
Debt transaction costs	—	5.9	4.4
Gain on settlement of pre-acquisition contingent obligation	—	(5.6)	—
	4,280.1	3,466.8	3,147.7
Income from continuing operations before income taxes	203.0	211.5	244.1
Provision for income taxes	68.1	79.3	88.5
Income from continuing operations	134.9	132.2	155.6
Income from discontinued operations, net of income taxes	—	0.4	—
Net income	134.9	132.6	155.6
Less: Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(8.8)	(4.4)	(3.7)
Net income attributable to LifePoint Hospitals, Inc.	$ 126.1	$ 128.2	$ 151.9
Basic earnings per share attributable to LifePoint Hospitals, Inc. stockholders:			
Continuing operations	$ 2.81	$ 2.76	$ 3.22
Discontinued operations	—	0.01	—
Net income	$ 2.81	$ 2.77	$ 3.22
Diluted earnings per share attributable to LifePoint Hospitals, Inc. stockholders:			
Continuing operations	$ 2.69	$ 2.68	$ 3.14
Discontinued operations	—	0.01	—
Net income	$ 2.69	$ 2.69	$ 3.14
Weighted average shares and dilutive securities outstanding:			
Basic	44.9	46.3	47.2
Diluted	46.9	47.6	48.4
Amounts attributable to LifePoint Hospitals, Inc. stockholders:			
Income from continuing operations, net of income taxes	$ 126.1	$ 127.8	$ 151.9
Income from discontinued operations, net of income taxes	—	0.4	—
Net income	$ 126.1	$ 128.2	$ 151.9

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LIFEPOINT HOSPITALS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2014, 2013 and 2012
(In millions)

	2014	2013	2012
Net income	$ 134.9	$ 132.6	$ 155.6
Other comprehensive (loss) income, net of income taxes:			
Unrealized (loss) gain on changes in funded status of pension benefit obligations, net of benefit (provision) for income taxes of $4.2 and ($1.9) for the years ended December 31, 2014 and 2013, respectively	(7.8)	3.2	0.2
Other comprehensive (loss) income	(7.8)	3.2	0.2
Comprehensive income	127.1	135.8	155.8
Less: Net income attributable to noncontrolling interests and redeemable noncontrolling interests	(8.8)	(4.4)	(3.7)
Comprehensive income attributable to LifePoint Hospitals, Inc.	$ 118.3	$ 131.4	$ 152.1

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LIFEPOINT HOSPITALS, INC.

CONSOLIDATED BALANCE SHEETS
For the Years Ended December 31, 2014 and 2013
(In millions)

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 191.5	$ 637.9
Accounts receivable, less allowances for doubtful accounts of $709.5 and $741.2 at December 31, 2014 and 2013, respectively	752.6	595.7
Inventories	115.2	102.0
Prepaid expenses	45.4	38.0
Income taxes receivable	33.0	—
Deferred tax assets	72.8	147.7
Other current assets	85.7	72.9
	1,296.2	1,594.2
Property and equipment:		
Land	134.8	112.3
Buildings and improvements	2,155.9	2,019.6
Equipment	1,633.8	1,469.9
Construction in progress (estimated costs to complete and equip after December 31, 2014 is $66.1)	72.9	58.7
	3,997.4	3,660.5
Accumulated depreciation	(1,619.9)	(1,463.3)
	2,377.5	2,197.2
Deferred loan costs, net	31.7	31.1
Intangible assets, net	69.1	72.6
Other assets	46.4	40.7
Goodwill	1,636.1	1,651.0
Total assets	$ 5,457.0	$ 5,586.8
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 158.5	$ 135.9
Accrued salaries	202.4	139.6
Other current liabilities	203.2	197.2
Current maturities of long-term debt	19.2	583.0
	583.3	1,055.7
Long-term debt	2,199.3	1,793.8
Deferred income tax liabilities	187.5	233.1
Long-term portion of reserves for self-insurance claims	133.2	139.8
Other long-term liabilities	84.7	72.0
Total liabilities	3,188.0	3,294.4
Redeemable noncontrolling interests	87.1	59.8
Equity:		
LifePoint Hospitals, Inc. stockholders' equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized; no shares issued	—	—
Common stock, $0.01 par value; 90,000,000 shares authorized; 66,245,310 and 65,548,140 shares issued at December 31, 2014 and 2013, respectively	0.7	0.7
Capital in excess of par value	1,496.2	1,470.7
Accumulated other comprehensive (loss) income	(4.4)	3.4
Retained earnings	1,473.1	1,347.0
Common stock in treasury, at cost, 21,672,250 and 18,404,586 shares at December 31, 2014 and 2013, respectively	(811.0)	(611.7)
Total LifePoint Hospitals, Inc. stockholders' equity	2,154.6	2,210.1
Noncontrolling interests	27.3	22.5
Total equity	2,181.9	2,232.6
Total liabilities and equity	$ 5,457.0	$ 5,586.8

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LIFEPOINT HOSPITALS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014, 2013 and 2012
(In millions)

	2014	2013	2012
Cash flows from operating activities:			
Net income	$ 134.9	$ 132.6	$ 155.6
Adjustments to reconcile net income to net cash provided by operating activities:			
Income from discontinued operations	—	(0.4)	—
Stock-based compensation	27.3	25.4	27.4
Depreciation and amortization	250.5	228.2	193.1
Amortization of physician minimum revenue guarantees	14.7	17.2	19.6
Amortization of debt discounts, premium and deferred loan costs	14.0	26.9	31.4
Impairment charges	57.7	—	4.0
Debt transaction costs	—	5.9	4.4
Gain on settlement of pre-acquisition contingent obligation	—	(5.6)	—
Deferred income taxes (benefit)	22.8	(20.4)	(24.2)
Reserve for self-insurance claims, net of payments	11.7	3.3	1.6
Increase (decrease) in cash from operating assets and liabilities, net of effects from acquisitions and divestitures:			
Accounts receivable	(54.3)	(27.0)	(43.3)
Inventories, prepaid expenses and other current assets	(18.6)	(17.1)	(9.7)
Accounts payable, accrued salaries and other current liabilities	(14.4)	(16.3)	19.5
Income taxes payable/receivable	(35.5)	1.8	2.3
Other	1.5	(0.4)	1.2
Net cash provided by operating activities – continuing operations	412.3	354.1	382.9
Net cash used in operating activities – discontinued operations	—	(0.1)	(0.7)
Net cash provided by operating activities	412.3	354.0	382.2
Cash flows from investing activities:			
Purchases of property and equipment	(207.1)	(185.2)	(221.4)
Acquisitions, net of cash acquired	(265.6)	(188.1)	(199.7)
Other	(0.5)	1.0	(1.0)
Net cash used in investing activities	(473.2)	(372.3)	(422.1)
Cash flows from financing activities:			
Proceeds from borrowings	412.0	1,053.0	555.0
Payments of borrowings	(585.4)	(453.7)	(469.3)
Repurchases of common stock	(222.3)	(39.1)	(95.5)
Payments of debt financing costs	(7.2)	(20.0)	(10.0)
Proceeds from exercise of stock options	23.9	39.2	21.8
Other	(6.5)	(8.2)	(3.3)
Net cash (used in) provided by financing activities	(385.5)	571.2	(1.3)
Change in cash and cash equivalents	(446.4)	552.9	(41.2)
Cash and cash equivalents at beginning of period	637.9	85.0	126.2
Cash and cash equivalents at end of period	$ 191.5	$ 637.9	$ 85.0
Supplemental disclosure of cash flow information:			
Interest payments	$ 112.8	$ 68.6	$ 70.0
Capitalized interest	$ 1.0	$ 1.4	$ 2.3
Income tax payments, net	$ 80.9	$ 98.2	$ 110.5

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LIFEPOINT HOSPITALS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2014, 2013 and 2012
(In millions)

	LifePoint Hospitals, Inc. Stockholders							
	Common Stock							
	Shares	Amount	Capital in Excess of Par Value	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Noncontrolling Interests	Total
Balance at January 1, 2012	48.3	$ 0.6	$1,354.8	$ —	$1,066.9	$(477.1)	$ 14.4	$1,959.6
Net income	—	—	—	—	151.9	—	3.7	155.6
Other comprehensive income	—	—	—	0.2	—	—	—	0.2
Exercise of stock options and tax benefits of stock-based awards	0.7	—	25.3	—	—	—	—	25.3
Stock activity in connection with employee stock purchase plan	—	—	1.2	—	—	—	—	1.2
Stock-based compensation	0.5	—	27.4	—	—	—	—	27.4
Repurchases of common stock, at cost	(2.6)	—	—	—	—	(95.5)	—	(95.5)
Noncash change in noncontrolling interests as a result of acquisition and other	—	—	(5.2)	—	—	—	8.3	3.1
Cash distributions to noncontrolling interests	—	—	—	—	—	—	(3.8)	(3.8)
Balance at December 31, 2012	46.9	0.6	1,403.5	0.2	1,218.8	(572.6)	22.6	2,073.1
Net income	—	—	—	—	128.2	—	4.4	132.6
Other comprehensive income	—	—	—	3.2	—	—	—	3.2
Exercise of stock options and tax benefits of stock-based awards	1.1	0.1	42.2	—	—	—	—	42.3
Stock activity in connection with employee stock purchase plan	—	—	(0.4)	—	—	—	—	(0.4)
Stock-based compensation	—	—	25.4	—	—	—	—	25.4
Repurchases of common stock, at cost	(0.9)	—	—	—	—	(39.1)	—	(39.1)
Noncash change in noncontrolling interests as a result of acquisition and other	—	—	—	—	—	—	1.0	1.0
Cash distributions to noncontrolling interests	—	—	—	—	—	—	(5.5)	(5.5)
Balance at December 31, 2013	47.1	0.7	1,470.7	3.4	1,347.0	(611.7)	22.5	2,232.6
Net income	—	—	—	—	126.1	—	2.3	128.4
Other comprehensive loss	—	—	—	(7.8)	—	—	—	(7.8)
Exercise of stock options, tax benefits of stock-based awards and other	0.8	—	28.2	—	—	—	—	28.2
Stock activity in connection with employee stock purchase plan	—	—	(0.2)	—	—	—	—	(0.2)
Stock-based compensation	—	—	27.3	—	—	—	—	27.3
Repurchases of common stock, at cost	(3.9)	—	—	—	—	(222.3)	—	(222.3)
Conversion of 3½% Notes	0.6	—	(22.1)	—	—	23.0	—	0.9
Noncash change in noncontrolling interests as a result of acquisition and other	—	—	(7.7)	—	—	—	4.4	(3.3)
Cash distributions to noncontrolling interests	—	—	—	—	—	—	(1.9)	(1.9)
Balance at December 31, 2014	44.6	$ 0.7	$1,496.2	$ (4.4)	$1,473.1	$(811.0)	$ 27.3	$2,181.9

Tab 15

Attachment C
Contribution to the Orderly Development of Health Care – 2

Letters of Support

Additional letters to be submitted separately

August 9, 2015

Melanie M. Hill, Executive Director
Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Dear Ms. Hill:

I am writing this letter of support for the expansion of emergency department services at Sumner Station, located at 225 Big Station Camp Blvd., in Gallatin, TN. As a mother of two children and a daughter of two elderly parents, I feel this is a tremendous need for our community.

I have lived in the Big Station Camp, Douglas Bend and Cages Bend area of Sumner County for a total of twenty-four years ranging from 1977 to now. During that time, I have witnessed the rapid growth in our community from new schools, new housing, and additional fire departments. These wonderful additions have increased the amount of traffic and travel time we spend on neighborhood roads to get to our destination. This increase of traffic and travel time is a concern for a mom who has a child with a food allergy and a daughter of two elderly parents in this community.

On October 18, 2014, our son obtained a head injury from an incident on playground equipment. We rushed him to the emergency department of Sumner Regional Medical Center in Gallatin, TN. While we were there, we received excellent medical services. My son experienced expedited care with state-of-the-art medical equipment and expertise from a staff that showed care and concern. There is a need for this same level of medical care in my community.

As a mom, my primary goal is to provide a safe and loving environment for my children. The expansion of emergency department services at Sumner Station would provide that protection and comfort. My young son has a food allergy that if triggered could send him into anaphylactic shock. When his prescribed EpiPen is used, we would need to transport him to an emergency department immediately. The time in getting him medical attention is vital to his survival. Currently, with no traffic congestion, it takes our family 20 minutes to get to the current Sumner Regional Medical Center in Gallatin, TN and 18 minutes to get to Hendersonville Medical Center in Hendersonville, TN. With the expansion of the emergency department services at Sumner Station, our travel time would be reduced to 7 minutes. This difference in response time to give my son medical care could save his life.

As an only child of elderly parents in the community, I would find great comfort in knowing there were emergency department services at Sumner Station. When my elderly parents require treatment for falls or other ailments, Sumner Station emergency services would allow me to get them treatment by a trusted community provider.

My community needs emergency department services at Sumner Station. I urge you and the members of the Health Services and Development Agency to approve this project.

Sincerely,

Karla Beams Taylor, M.Ed.
Mother, Daughter, Wife, Community Supporter, and Educator

Tab 16

Attachment C
Contribution to the Orderly Development of Health Care – 4

Physician CVs

Tab 22

Attachment C
Contribution to the Orderly Development of Health Care -7.(d)

Inspection Report

RECEIVED
OCT 18 2006

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
BUREAU OF HEALTH LICENSURE AND REGULATION
MIDDLE TENNESSEE REGIONAL OFFICE
710 HART LANE, 1ST FLOOR
NASHVILLE, TENNESSEE 37247-0530
PHONE (615) 650-7100
FAX (615) 650-7101

October 17, 2006

R. Bruce James, Administrator
Sumner Regional Medical Center
555 Hartsville Pike
Gallatin, TN 37066

Dear Mr. James:

Enclosed is the statement of deficiencies developed as a result of the state licensure survey completed on October 11, 2006 at Sumner Regional Medical Center.

Please provide us with documentation to describe how and when these deficiencies will be corrected. This information should be received in our office within ten (10) calendar days after receipt of this letter. We are requesting that you assure correction of the cited deficiencies no later than sixty (60) days from the date of the survey. A follow-up visit may be conducted, if your allegation of correction is reasonable and convincing. Failure to provide an acceptable plan of correction could result in a referral to the Board of Licensing Health Care Facilities for whatever action they deem appropriate.

In order for your Plan of Correction (PoC) to be acceptable, it should address the following:

1. How you will correct the deficiency;
2. Who will be responsible for correcting the deficiency;
3. The date the deficiency will be corrected; and
4. How you will prevent the same deficiency from happening again.

Should you have any questions, or if there is any way this office may be of assistance, please do not hesitate to call.

Sincerely,

Nina Monroe

Nina Monroe, Regional Administrator
Middle Tennessee Regional Office

Enclosure
NM/dv

PRINTED: 10/16/2006
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP531116	A. BUILDING _____ B. WING _____	10/11/2006

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUMNER REGIONAL MEDICAL CENTER	555 HARTSVILLE PIKE GALLATIN, TN 37066

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 404	1200-8-1-.04 (4) Administration (4) Whenever the rules and regulations of this chapter require that a licensee develop a written policy, plan, procedure, technique, or system concerning a subject, the licensee shall develop the required policy, maintain it and adhere to its provisions. A hospital which violates a required policy also violates the rule and regulation establishing the requirement. This Statute is not met as evidenced by: Based on observation interview and record review it was determined the facility failed to adhere to the provisions of the facility's policies labeled "Intravascular Devices" and "Medication Administration". The findings included: Observation of one random patient in the facilities Intensive Care Unit on 10/11/06 at 10:40 AM in room 6 revealed a Patient whom had two Intravenous Dressings. One dressing was covering a Triple Lumen Catheter that was located on the Patients right subclavian area of the anterior chest and the other Intravenous access was located in the patients right arm antecubital area. Observation of the dressings revealed there was no documentation on the transparent dressings of either site. Record review Patient #27 of 37 sampled Patients revealed documentation by the Medical Doctor on 10/10/06 at 1500 in the Physicians Progress notes indicating the Triple Lumen Catheter was placed in Patient #27 on 10/10/06. Confirmation was made with the Intensive Care Unit, Care Coordinator of these findings on 10/11/06 at 10:50 AM. The policy labeled	H 404		

Division of Health Care Facilities

ORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE

STATE FORM 6899 Y0LZ11 If continuation sheet 1 of 1

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
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H 404	Continued From page 1 "Intravascular Devices" reads on page 2 of the policy "I. Documentation 1. Record date and time of catheter insertion on label provided in the IV start kit and attach to IV dressing." Tour of the facilities operating room on 10/10/06 at 11:00 AM in room 1 revealed 22 milliliters of a white liquid in a 30 milliliter syringe located on top of an anesthesia cart unattended. Further observation revealed the cart was unlocked. There was no label noted on the syringe containing the 22 milliliters of the white liquid. Interview with an anesthesiologist in the surgery hallway on 10/10/06 at 11:05 reports "We don't label the propofol." Confirmation was made with the Surgery Director on 10/10/06 at 11:06 AM that the medication should be labeled. Review of the facilities policy labeled "Medication Administration" reads under the section labeled Procedure: "12. Medications and solutions both on and off the sterile field should be labeled even if there is only one medication being used. 13. Labeling occurs when any medication or solution is transferred from the original packaging to another. 14. Labels should include drug name, strength, amount, if not used within 24 hours, and expiration time when expiration occurs in less than 24 hours." Observation on 10/10/06 at 3:15 PM during an interview with Patient # 37 of the 37 sampled Patients revealed a right Port-A-Cath central line intravenous dressing with no date and signature. The findings were confirmed in an interview with the 4th Floor charge nurse at this time. Medical record review on 10/10/06 at 3:20 PM revealed a needle and dressing change documented in the	H 404		

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H 404	Continued From page 2 nursing notes at 8:45 AM on 10/10/06. The facility policy to date and initial all intravenous dressings was confirmed on 10/10/06 at 3:20 PM by the Director of Medical/Surgical and the 4th Floor charge nurse. Review of the facility policy entitled, "Intravascular Devices" revealed that documentation should include recording the date and time of the catheter insertion on the label provided in the intravenous start kit and attach to the intravenous dressing.	H 404		
H 647	1200-8-1-.06 (3)(i)4. Basic Hospital Functions (3) Infection Control. (i) The central sterile supply area(s) shall be supervised by an employee, qualified by education and/or experience with a basic knowledge of bacteriology and sterilization principles, who is responsible for developing and implementing written policies and procedures for the daily operation of the central sterile supply area, including: 4. Provisions for maintenance of package integrity and designation of event-related shelf life for hospital-sterilized and commercially prepared supplies; This Statute is not met as evidenced by: Based on observation and interview it was determined the facility failed to ensure the sterility and package integrity of several random items found in the facilities clinical areas that were out of date as per the manufacturer guidelines. The findings included:	H 647		

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H 647	Continued From page 3 During tour in the Intensive Care Unit 10/11/06 at 10:55 AM in the "Line Cart" located in front of the Intensive Care Units Nursing Station revealed a package in the third drawer in the cart that contained a package labeled "Scrub Care Preoperative Skin Care Prep Tray" that had an expiration date printed on the package of June 2006. Confirmation was made with the Intensive Care Unit/ Care Coordinator at 11:00 AM that the package was out of date. Observation during a tour of the newborn nursery on 10/11/06 at 12:30 PM revealed expired supply items in the third drawer of the emergency supply cabinet: One 18 gauge Insyte Autoguard chest tube needle with an expiration date of January 2004. Three 14 gauge Insyte Autoguard chest tube needles with an expiration date of March 2005. Three 16 gauge Insyte Autoguard chest tube needles with an expiration date of January 2006. The above findings were confirmed with the Director of Women's Services and the Accreditation Coordinator on 10/11/06 at 1:00 PM. Review of the facility policy entitled, "Shelf Life of Sterile Supplies" revealed that all expiration dated packages of purchased sterile supplies must be checked and rotated weekly.	H 647		
H 665	1200-8-1-.06 (3)(o) Basic Hospital Functions (3) Infection Control. (o) The physical environment of the facility shall be maintained in a safe, clean and sanitary manner.	H 665		

Division of Health Care Facilities

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H 665	Continued From page 4 This Statute is not met as evidenced by: Based on observation and interview, it was determined that the facility failed to provide a clean and sanitary physical environment. The findings included: Observation on 10/10/06 at 11:10 AM during a tour of the 4th Floor (West) kitchen revealed a microwave with dried food matter on the inside of the unit. The findings were confirmed with the patient care coordinator at this time. Observation on 10/10/06 at 2:40 PM during a tour of the 4th Floor (East) kitchen revealed a microwave with dried food matter on the inside of the unit. The findings were confirmed with the patient care coordinator at this time. Continued tour of this unit at 2:45 PM revealed an empty patient room with an overbed table with dried brown and white matter on the internal compartment. The findings were confirmed with the accreditation coordinator at this time. Continued interview with the accreditation coordinator at this time also revealed that the room was cleaned and available for patient occupancy at the time of the observations. Observation on 10/11/06 at 10:00 AM during a tour of the 2nd Floor (West) kitchen revealed a microwave with dried food matter on the inside of the unit. The findings were confirmed with the patient care coordinator and the director of the 2nd floor at this time. Observation on 10/11/06 at 10:10 AM during a tour of the 2nd Floor (East) kitchen revealed a microwave with dried food matter on the inside of the unit. The findings were confirmed with the	H 665		

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H 665	Continued From page 5 patient care coordinator and the director of the 2nd floor at this time. Observation on 10/11/06 at 11:50 AM during a tour of the Labor and Delivery unit kitchen revealed a microwave with dried food matter on the inside of the unit. The findings were confirmed with the patient care coordinator and the accreditation coordinator at this time. Continued observation at 11:58 AM revealed a sink in the workroom between the Labor, Delivery, and Recovery room (LDR) #1 and LDR #2 that contained a white container one-half full with a light yellow liquid. The findings were confirmed with the director of women's services at this time and that the container should have been removed after cleaning the room.	H 665		
H 706	1200-8-1-.06 (6)(a) Basic Hospital Functions (6) Pharmaceutical Services. (a) The hospital must have pharmaceutical services that meet the needs of the patients and are in accordance with the Tennessee Board of Pharmacy statutes and regulations. The medical staff is responsible for developing policies and procedures that minimize drug errors. This function may be delegated to the hospital's organized pharmaceutical service. This Statute is not met as evidenced by: Based on observation, interview, and policy review the facility failed to provide Pharmaceutical Services in compliance with approved policies and procedures. The findings included:	H 706		

Division of Health Care Facilities

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H 706	Continued From page 6 Observation of the Preoperative Area in the Surgery Department on 10/10/06 at 10:00 AM revealed a refrigerator that contained in the side door compartment a 0.9 % saline solution 500 milliliter clear plastic bag for intravenous infusion with an expiration date that reads "June 06". Confirmation was made with the Director of Surgical Services at 10/10/06 at 10:10 AM. During tour of the Intensive Care Unit on 10/11/06 at 10:55 AM revealed a "Line Cart" located in front of the nurses desk that contained a 1 liter bottle of 0.9% saline solution with an expiration date of February 05. Further observation of the "Line Cart" revealed a 250 milliliter clear plastic bag labeled 5% Dextrose solution for intravenous infusion with an expiration date of January 05.Confirmation was made with the Intensive Care Unit/ Care Coordinator on 10/11/06 at 11:00 AM of the expired items. Review of the facility policy labeled "Outdated or Unusable Drugs (Return to Pharmacy)" Policy Number Rx-036 reads under the section labeled Procedure reads, "1. Whenever unusable or outdated drugs are found in the hospital, they will be returned to the Pharmacy for proper disposal." The facility policy labeled Out-Dated Drugs (Storage and Disposition) Policy Number Rx-037, reads "The Pharmacy stock and all drug storage areas in the hospital are checked monthly for out dated-drugs." Observation on 10/10/06 at 2:35 PM during a tour of the 4th Floor (East) unit clean supply room revealed three 5 liter bags of sterile water for irrigation with an expiration date of September 2006. The findings were confirmed in an	H 706		

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H 706	Continued From page 7 interview with the medical/surgical director at this time. Continued observation of the 4th Floor medication Pyxis sytem at 2:55 PM revealed a locked medication refrigerator attached to the Pyxis that contained an opened, one-half full bottle of Citrate of Magnesia labeled Room 433B. An interview with the medical/surgical director at 3:05 PM on 10/10/06 revealed that the Patient had been discharged on 8/31/06. Observation on 10/11/06 at 11:40 AM during a tour of the postpartum unit clean supply room revealed the following expired drugs: One liter bag of Dextrose 5% in Water with an expiration date of September 2006. One liter bag of Dextrose 5% in 0.2% Sodium Chloride solution with an expiration date of September 2006. The above findings were confirmed in an interview with the director of women's services at this time.	H 706		
H 714	1200-8-1-.06 (7)(a) Basic Hospital Functions (7) Radiologic Services. (a) The hospital must maintain, or have available, diagnostic radiologic services according to the needs of the patients. If therapeutic services are also provided, they, as well as the diagnostic services, must meet professionally approved standards for safety and personnel qualifications. This Statute is not met as evidenced by:. Based on observations, interviews, and policy review the facility failed to ensure the safety of	H 714		

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Division of Health Care Facilities

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H 714	Continued From page 8 one radiology employee. The findings included: Observations of the Radiology Department on October 11, 2006, revealed a Registered Nurse (RN#1) working in the Computed Tomography Room at 10:00 am, and in the Nuclear Medicine Room at 10:10 am, without a dose/film badge on his/her person. Interview with RN#1, at 10:00 am, on October 11, 2006, revealed the RN worked as a contract employee in Interventional Radiology, and had been employed at the facility for seven weeks. Interview with the Radiology Department Manager at 10:00 am, on October 11, 2006, confirmed RN#1 should have been wearing a dose/film badge. Review of the facility's Radiation Safety Operations Manual revealed all employees requiring dosimetry shall be issued a standard film badge and/or thermoluminescent dosimeter, and the exposure measurements will be recorded and kept on file.	H 714		
H 730	1200-8-1-.06 (9)(b) Basic Hospital Functions (9) Food and Dietetic Services. (b) The hospital must designate a person to serve as the food and dietetic services director with responsibility for the daily management of the dietary services. The food and dietetic services director shall be: 1. A dietitian; or, 2. A graduate of a dietetic technician or dietetic assistant training program, correspondence or classroom, approved by the American Dietetic Association; or,	H 730		

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H 730	Continued From page 9 3. A graduate of a state-approved course that provided ninety (90) or more hours of classroom instruction in food service supervision and has experience as a food service supervisor in a health care institution with consultation from a qualified dietitian. This Statute is not met as evidenced by: Based on review of employee records and staff interview, it was determined the facility failed to have a qualified food service director. The findings included: Review of the record for the Food Service Director revealed and interview, with this Employee the afternoon of 10/10/06, confirmed, the Employee was not enrolled in or had attended a 90 + hour food service supervision course.	H 730		
H 737	1200-8-1-.06 (9)(g) Basic Hospital Functions (9) Food and Dietetic Services. (g) A minimum of three (3) meals in each twenty-four (24) hour period shall be served. A supplemental night meal shall be served if more than fourteen (14) hours lapse between supper and breakfast. Additional nourishment shall be provided to patients with special dietary needs. This Statute is not met as evidenced by: Based on staff interviews, it was determined the facility exceeded the 14 hour lapse between supper and breakfast and did not provide a supplemental meal. The findings included:	H 737		

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H 737	Continued From page 10 Interview with the facility Food Service Director and shift manager, the morning of 10/10/06, confirmed the Supper was served at 4:15 PM and the Breakfast at 7 AM without a supplemental meal between those hours to the patients.	H 737		
H 739	1200-8-1-.06 (9)(i) Basic Hospital Functions (9) Food and Dietetic Services. (i) Food shall be protected from sources of contamination whether in storage or while being prepared, served and/or transported. Perishable foods shall be stored at such temperatures as to prevent spoilage. Potentially hazardous foods shall be maintained at safe temperatures as defined in the current "U.S. Public Health Service Food Service Sanitation Manual". This Statute is not met as evidenced by: Based on observation and staff interview, it was determined the dietary department was not maintained in a sanitary manner and cold food exceeded 41 degrees at the trayline. the findings included: Observation during the department tour, at 9:15 AM of 10/10/06, with the Food Service Director present, revealed the following ceiling vents and surrounding ceiling tiles had an accumulation of debris: between the grill and steamer; over the production table and steam jacketed kettle; in the dishroom on the dirty side, clean side and over the 3 compartment sink; by the reach-in refrigerators between the production and catering	H 739		

Division of Health Care Facilities

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SUMNER REGIONAL MEDICAL CENTER	555 HARTSVILLE PIKE GALLATIN, TN 37066

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 739	Continued From page 11 sections and outside the diet office. Observation at 9:38 AM revealed the dishes were being processed and the 3 compartment sink was being used in the dishroom. Further observation during the tour revealed four cases of cups were stacked and a case of cup lids were stored on the floor of the paper storeroom. Observation during the mid-day meal trayline revealed a staff member taking and recording the food temperatures at 11:30 AM. Continued observation revealed the milk temperature was 43 degrees and served to the pureed textured diets. Interview, at 11:40 AM, with the shift manager revealed the person taking the temperatures was instructed to remove and replace any foods not in the appropriate temperature ranges.	H 739		

PRINTED: 10/16/2006
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP531116	A. BUILDING _____ B. WING _____	10/11/2006

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUMNER REGIONAL MEDICAL CENTER	555 HARTSVILLE PIKE GALLATIN, TN 37066

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 001	1200-8-30 Initial This Statute is met as evidenced by: No deficiencies were cited as a result of the Pediatric Emergency Care Facility Survey completed on October 11, 2006.	P 001		

Division of Health Care Facilities

ORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE

STATE FORM 6899 Y0LZ11 If continuation sheet 1 of 1

PRINTED: 10/12/2006
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP531116	A. BUILDING 02 - STATE BUILDING B. WING _____	10/10/2006

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUMNER REGIONAL MEDICAL CENTER	555 HARTSVILLE PIKE GALLATIN, TN 37066

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 872	1200-8-1-.08 (2) Building Standards (2) The condition of the physical plant and the overall hospital environment must be developed and maintained in such a manner that the safety and well-being of patients are assured. This Statute is not met as evidenced by: Surveyor: 16862 Based on inspection and observation, it was determined, the facility failed to maintain the hospital environment for the safety of both residents and staff as required by the Standard Regulation 1200-8-1-08(2) the NFPA 101, 8.5.5.2; 101, 8.5.5.3. The findings included: On 10-10-2006 at approximately 2:00 PM during inspection within the basement equipment room, observation revealed, there were penetrations in both the ceiling and the wall.	H 872		
H 874	1200-8-1-.08 (4) Building Standards. (4) After the application and licensure fees have been submitted, the building construction plans must be submitted to the department. All new facilities shall conform to the current addition of the Standard Building Code, the National Fire Protection Code (NFPA), the National Electrical Code, the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities, and the U.S Public Health Service Food Code as adopted by the Board for Licensing Health Care Facilities. When referring to height, area or construction type, the Standard Building Code shall prevail. All new and existing facilities are subject to the requirements of the Americans with Disabilities Act (A.D.A.). Where there are	H 874		

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP531116	A. BUILDING 02 - STATE BUILDING B. WING	10/10/2006

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUMNER REGIONAL MEDICAL CENTER	555 HARTSVILLE PIKE GALLATIN, TN 37066

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 874	Continued From page 1 conflicts between requirements in the above listed codes and regulations and provisions of this chapter, the most restrictive shall apply. This Statute is not met as evidenced by: Surveyor: 16862 Based on inspection and observation, it was determined, the facility failed to comply with the Regulatory Codes as required by the Standard Regulation 1200-8-1-08(4) and the Standard Building Code- SBC 1403.2.3. The findings included: On 10-10-2006 at approximately 1:45 PM during inspection within the basement area, observation revealed, a steel lintel carrying brick veneer over a doorway was missing. SBC 1403.2.3.	H 874		
H 893	1200-8-1-.08 (23) Building Standards. (23) A negative air pressure shall be maintained in the soiled utility area, toilet room, janitor ' s closet, dishwashing and other such soiled spaces, and a positive air pressure shall be maintained in all clean areas including, but not limited to, clean linen rooms and clean utility rooms. This Statute is not met as evidenced by: Surveyor: 16862 Based on inspection, testing and observation, it was determined, the facility failed to maintain the negative air pressure within soiled areas as required by the Standard Regulation 1200-8-1-08(23) and the NFPA 90A; 90B-4; 101, 19. 5.2.1.	H 893		

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP531116	A. BUILDING 02 - STATE BUILDING B. WING _____	10/10/2006

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUMNER REGIONAL MEDICAL CENTER	555 HARTSVILLE PIKE GALLATIN, TN 37066

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 893	Continued From page 2 The findings included: On 10-10-2006 at approximately 2:30 PM during inspection within the men's bathroom in the Cath Lab area, testing revealed, the exhaust fan units were not working. Inspection and observation within the Medical Imaging area revealed, the return-air grilles were dusty. Inspection and observation within the elevator equipment room revealed, the exhaust fan unit was dusty. During inspection and observation within the dietary area, observation revealed, both air-return units and exhaust fan grilles were dusty.	H 893		
H 951	1200-8-1-.09 (1) Life Safety (1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations. This Statute is not met as evidenced by: Surveyor: 16862 Based on inspection and observation, it was determined, the facility failed to comply with the applicable building and fire safety regulations as required by the Standard Regulation 1200-8-1-08(1). and the NFPA 10, 1.5.6; 55, 6.6; 70, 240-5; 70, 373-4; 410-56(d).	H 951		

PRINTED: 10/12/2006
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP531116	A. BUILDING 02 - STATE BUILDING B. WING _____	10/10/2006

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
SUMNER REGIONAL MEDICAL CENTER	555 HARTSVILLE PIKE GALLATIN, TN 37066

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 951	Continued From page 3 The findings included: On 10-10-2006 at approximately 12:30 PM during inspection within the basement shop area, observation revealed, the portable fire extinguisher was blocked with equipment. That was in violation of the NFPA 10, 1.5.6. Inspection within the storage area of the basement mechanical room revealed three pressurized cylinders which were not secured. Violation of the NFPA 55, 6.6. During inspection within the pain clinic of the Cath Lab area, observation revealed the use of an extension cord. NFPA 70, 240-5. During inspection on the 3rd floor next to the rehab area, observation within the electric panel room revealed, panels TA and TB both had unusual open space under the breakers. Violation of the NFPA 70, 373-4. During inspection within the basement mechanical equipment area, observation revealed a junction box without any cover plate. During inspection within the ceiling space above the east fire doors to the Cath Lab area, observation revealed, there was an open junction box without any cover plate. Inspection above the west fire doors of the Cath Lab revealed open junction box with loose wires. Those were in violation of the NFPA 70, 410-56(d).	H 951		

Tab 23

Attachment C
Contribution to the Orderly Development of Health Care -7.(d)

Plan of Corrective Action

SUMNER
Regional Medical Center

Administrative Offices

October 24, 2006

Ms. Nina Monroe, Regional Administrator
State of Tennessee Department of Health
Bureau of Health Licensure and Regulation
Middle Tennessee Regional Office
710 Hart Lane, 1st Floor
Nashville, Tennessee 37247-0530

Dear Ms. Monroe:

The following information is provided in response to the recent state licensure survey completed on October 11, 2006 at Sumner Regional Medical Center.

ID Prefix Tag: H 404 1200-8-.04 (4) Administration

How SRMC will correct the deficiency: We will correct "no documentation on the transparent intravenous dressing" by following our policy and recording date and time of catheter insertion on the label provided in the IV starter kit and then attaching it to the IV dressing.
Who at SRMC will be responsible for correcting the deficiency: Director, Med/Surg
The date the deficiency will be corrected: October 12, 2006
How will SRMC prevent the same deficiency from happening again: Spot checks will be conducted in all patient care areas specifically looking for this documentation.

How SRMC will correct the deficiency: We will correct failure to label medication and solutions both on and off the sterile field by following our stated policy and further educating our staff and anesthesiologists.
Who at SRMC will be responsible for correcting the deficiency: Director, Surgical Services, and Director Women's Services
The date the deficiency will be corrected: November 1, 2006
How will SRMC prevent the same deficiency from happening again: Spot checks will be conducted to ensure compliance with re-education as needed.

Post Office Box 1558 555 Hartsville Pike Gallatin, Tennessee 37066-1588 (615) 451-5519 FAX (615) 451-5523

How SRMC will correct the deficiency: We will ensure that all anesthesia carts are locked when not in use.
Who at SRMC will be responsible for correcting the deficiency: Director, Surgical Services, and Director Women's Services
The date the deficiency will be corrected: November 1, 2006
How will SRMC prevent the same deficiency from happening again: Spot checks will be conducted to ensure compliance with re-education as needed.

How SRMC will correct the deficiency: We will correct "no documentation on the transparent intravenous dressing of Port-A-Cath" by following our policy and recording date and time of catheter insertion on the label provided in the IV starter kit and then attaching it to the IV dressing.
Who at SRMC will be responsible for correcting the deficiency: Director, Med/Surg
The date the deficiency will be corrected: October 12, 2006
How will SRMC prevent the same deficiency from happening again: Spot checks will be conducted in all patient care areas specifically looking for this documentation.

ID Prefix Tag: H 647 1200-8-1-.06 (3)(l) 4 Basic Hospital Function

How SRMC will correct the deficiency: We will re-educate stocking personnel on the importance of accuracy of daily checks and ensuring that no items remain in stock after expiration date.
Who at SRMC will be responsible for correcting the deficiency: Director, Material Management
The date the deficiency will be corrected: November 1, 2006
How will SRMC prevent the same deficiency from happening again: Spot checks will be conducted in all patient care areas specifically looking at expiration dates to ensure compliance and immediate re-education as required.

ID Prefix Tag: H 665 1200-8-1-.06 (3)(o) Basic Hospital Functions

How SRMC will correct the deficiency: We will immediately correct and reeducate environmental services associates on proper cleaning of microwave ovens and bed side tables, and disposal of used cleaning materials.
Who at SRMC will be responsible for correcting the deficiency: Director, Environmental Services
The date the deficiency will be corrected: October 11, 2006
How will SRMC prevent the same deficiency from happening again: Spot checks will be conducted in all patient care areas specifically ensuring these deficiencies remain in compliance.

ID Prefix Tag: H 706 1200-8-1-.06 (6)(a) Basic Hospital Functions

How SRMC will correct the deficiency: We will immediately check all supply carts to ensure no expired solutions remain.
Who at SRMC will be responsible for correcting the deficiency: Director, Material Management
The date the deficiency will be corrected: October 12, 2006
How will SRMC prevent the same deficiency from happening again: Spot checks will be conducted in all patient care areas specifically ensuring that expired items do not exist.

How SRMC will correct the deficiency: We will ensure that all medications belonging to a specific patient are removed when that patient leaves the hospital.
Who at SRMC will be responsible for correcting the deficiency: Director, Pharmacy
The date the deficiency will be corrected: October 12, 2006
How will SRMC prevent the same deficiency from happening again: Pyxis units are checked daily by Pharmacy staff. They will ensure this occurs. Spot checks will be conducted on all Pyxis units specifically ensuring that expired items or medications from previous patients do not exist.

ID Prefix Tag: H 714 1200-8-1-.06 (7)(a) Basic Hospital Functions

How SRMC will correct the deficiency: We will make sure that all Radiology Department associates wear a dose/film badge.
Who at SRMC will be responsible for correcting the deficiency: Director, Diagnostic Services
The date the deficiency will be corrected: October 11, 2006
How will SRMC prevent the same deficiency from happening again: Spot checks will be conducted in all diagnostic imagining areas specifically ensuring dose/film badges are worn by all associates working in that area.

ID Prefix Tag: H 730 1200-8-1-.06 (9)(b) Basic Hospital Functions

How SRMC will correct the deficiency: We will enroll the Director, Nutritional Service in a 90 hour food service supervisor course and make sure that he completes the course within two years.
Who at SRMC will be responsible for correcting the deficiency: Vice President, Support Services
The date the deficiency will be corrected: No later than October 11, 2008.
How will SRMC prevent the same deficiency from happening again: Vice President, Support Services will ensure that this requirement is added to the current contract as well as any future contracts and then annually reviewed for compliance.

ID Prefix Tag: H 737 1200-8-1-.06 (9)(g) Basic Hospital Functions

How SRMC will correct the deficiency: We will ensure that no more than 14 hours lapse between supper and breakfast.
Who at SRMC will be responsible for correcting the deficiency: Director, Nutritional Services
The date the deficiency will be corrected: November 20, 2006
How will SRMC prevent the same deficiency from happening again: By adjusting meal service hours on the inpatient floors, not exceeding 14 hours becomes the standard. Spot checks will monitor compliance.

ID Prefix Tag: H 739 1200-8-1-.06 (9)(i) Basic Hospital Functions

How SRMC will correct the deficiency: We will immediately clean and maintain cleanliness in all areas sited.
Who at SRMC will be responsible for correcting the deficiency: Director, Nutritional Services
The date the deficiency will be corrected: October 12, 2006
How will SRMC prevent the same deficiency from happening again: Daily inspections and spot checks. Note: State surveyor re-examined area on October 12, 2006 and verbally expressed her satisfaction with the previous night's cleaning.

How SRMC will correct the deficiency: Closer monitoring of the cold food temperatures in the tray line and meal preparation areas.
Who at SRMC will be responsible for correcting the deficiency: Director, Nutritional Services
The date the deficiency will be corrected: October 12, 2006
How will SRMC prevent the same deficiency from happening again: Daily inspections and spot checks.

ID Prefix Tag: H 872 1200-8-1-.08 (2) Building Standards

How SRMC will correct the deficiency: We will seal all penetrations in the wall and ceiling in the basement equipment room.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: November 30, 2006
How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations as well as the Director, Safety and Security. Spot checks as part of the Environment of Care (JCAHO) continuous readiness.

ID Prefix Tag: H 874 1200-8-1-.08 (4) Building Standards

How SRMC will correct the deficiency: We will install a steel lintel carrying brick veneer over a doorway in the basement area.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: November 30, 2006
How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations as well as the Director, Safety and Security. Spot checks as part of the Environment of Care (JCAHO) continuous readiness.

ID Prefix Tag: H 893 1200-8-1.08 (23) Building Standards

How SRMC will correct the deficiency: We will repair and clean exhaust fans in the Cath Lab, Medical Imaging, Elevator Equipment room and Dietary areas.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations, Director, Environmental Services, Director Nutritional Services
The date the deficiency will be corrected: October 20, 2006
How will SRMC prevent the same deficiency from happening again: Increased inspections and spot checks by appropriate Director.

ID Prefix Tag: H 951 1200-8-1-.09 (1) Life Safety

How SRMC will correct the deficiency: We will ensure that all portable fire extinguishers are readily available and not blocked from use.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: October 12, 2006
How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations, and Director, Safety and Security.

How SRMC will correct the deficiency: We will ensure that all pressurized cylinders are properly secured.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: October 12, 2006
How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations, and Director, Safety and Security.

How SRMC will correct the deficiency: We will remove the extension cord in the Cath Lab and ensure that appropriate electrical outlets are available.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: November 30, 2006

How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations, and Director, Safety and Security.

How SRMC will correct the deficiency: We will secure the open space under the breakers in electrical panel 3rd Floor, TA and TB.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: October 20, 2006
How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations, and Director, Safety and Security.

How SRMC will correct the deficiency: We will cover the junction box in the basement mechanical equipment area.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: October 20, 2006
How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations, and Director, Safety and Security.

How SRMC will correct the deficiency: We will cover the junction box in the ceiling space above the east fire doors to the Cath Lab.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: October 20, 2006
How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations, and Director, Safety and Security.

How SRMC will correct the deficiency: We will secure the loose wires and cover the junction box above the west fire doors of the Cath Lab.
Who at SRMC will be responsible for correcting the deficiency: Director, Plant Operations
The date the deficiency will be corrected: October 20, 2006
How will SRMC prevent the same deficiency from happening again: Inspections by the Director, Plant Operations, and Director, Safety and Security.

Should you have any questions please contact Mr. Fred Levoy at 615 451-5529 or email; Fred.Levoy@Sumner.Org.

Sincerely,

R. Bruce James
Administrator

Attachment D

Copy of Published Public Notice
Letter of Intent

Tab 24

Attachment D

Copy of Published Public Notice

cy no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at, or prior to, the consideration of the application by the Agency.

Public Notices

Public Notices

0000641094

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Summit Medical Center Emergency Department at Mt. Juliet (a proposed satellite emergency department of TriStar Summit Medical Center, a hospital), to be owned and managed by HCA Health Services of Tennessee, Inc. (a corporation), intends to file an application for a Certificate of Need to establish a satellite emergency department facility at an unaddressed site in Wilson County, in the southwest quadrant of the intersection of I-40 and Beckwith Road (near Exit 229). The site is approximately 100 yards west of Beckwith Road on an access drive at Smyrna Ready Mix, whose address is 4910 Beckwith Road. The project cost is estimated at $11,107,000.

The proposed satellite facility will contain eight treatment rooms. It will provide emergency diagnostic and treatment services, for which all necessary diagnostic services will be available, including laboratory, X-ray, ultrasound, and CT scanning. It will not contain major medical equipment, or initiate or discontinue any other health service, or affect any facility's licensed bed complements. The facility will be operated under TriStar Summit Medical Center's 196-bed acute care hospital license, granted by the Board for Licensing Health Care Facilities.

The anticipated date of filing the application is on or before August 14, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency

Public Notices

Public Notices

0000645174

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Sumner Regional Medical Center ("SRMC"), an existing acute care hospital, owned by Sumner Regional Medical Center, LLC with an ownership type of limited liability company and to be managed by SRMC intends to file an application for a Certificate of Need for a full service, 24-hour-per-day/7-day-per-week satellite emergency department for patients who require care on an emergency basis. The project will be located at SRMC's existing outpatient facility known as Sumner Station, 225 Big Station Camp Boulevard, Gallatin, Sumner County, TN 37066. The project will be a satellite of the main emergency department at SRMC and will be under the sole administrative control of SRMC. It involves the renovation of 10,210 square feet of existing space. The total project costs are estimated to be $5,603,276.

Sumner Regional Medical Center is licensed by the Board for Licensing Healthcare Facilities as a 155-bed acute care hospital. The proposed satellite emergency department will provide the same full emergency diagnostic and treatment services as at the main hospital, utilizing the imaging center already located at Sumner Station for diagnostic services such as CT and MRI. The project does not contain major medical equipment, or initiate or discontinue any other health service, or affect any facility's licensed bed complements.

The anticipated date of filing the application is: August 14, 2015. The contact person for this project is Michael Herman, Chief Operating Officer, who may be reached at Sumner Regional Medical Center, 225 Big Station Camp Boulevard, Gallatin, Tennessee, 37066, 615-328-6695.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

1. Stripping and Waxing at Parthenon Towers
2. Stripping and Waxing Edgefield Manor
3. Janitorial Services at Rental Assistance Office
4. Janitorial Services at Vine Hill Community Center Building
5. Glass Replacement Services

Copies of these bid documents may be obtained at MDHA Construction Office, 712 South Sixth Street, Nashville, TN 37206 or by contacting Rita James at (615) 252-8432.

0000639941

SUBSTITUTE TRUSTEE'S NOTICE OF FORECLOSURE SALE

Default having been made in the terms, conditions, and payments provided in a certain Deed of Trust dated NOVEMBER 29, 2006, executed by JOHN LANKFORD SINGLE MAN, to GARY FISHER, Trustee, of record in RECORD BOOK 691 PAGE 3230 AND RE-RECORDED IN RECORD BOOK 695 PAGE 2249, for the benefit of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE FOR PROFESSIONAL MORTGAGE GROUP, INC., in the Register's Office for RUTHERFORD County, Tennessee and to J. PHILLIP JONES AND/OR JESSICA D. BINKLEY, either of whom may act, appointed as Substitute Trustee in an instrument of record in the Register's Office for RUTHERFORD County, Tennessee, to secure the indebtedness described; WHEREAS, said Deed of Trust was last assigned to TENNESSEE HOUSING DEVELOPMENT AGENCY, the entire indebtedness having been declared due and payable by TENNESSEE HOUSING DEVELOPMENT AGENCY BY AND THROUGH ITS SERVICER AND AUTHORIZED AGENT, U.S. BANK

Continued to next column

PROPERTY IS WITHOUT WARRANTY OF ANY KIND, AND IS FURTHER SUBJECT TO THE RIGHT OF ANY TENANT(S) OR OTHER PARTIES OR ENTITIES IN POSSESSION OF THE PROPERTY. ANY REPRESENTATION CONCERNING ANY ASPECT OF THE SUBJECT PROPERTY BY A THIRD PARTY IS NOT THE REPRESENTATION/ RESPONSIBILITY OF TRUSTEE(S)/ SUBSTITUTE TRUSTEE(S) OR THEIR OFFICE.

THIS SALE IS SUBJECT TO ANY UNPAID TAXES, IF ANY, ANY PRIOR LIENS OR ENCUMBRANCES LEASES, EASEMENTS AND ALL OTHER MATTERS WHICH TAKE PRIORITY OVER THE DEED OF TRUST UNDER WHICH THIS FORECLOSURE SALE IS CONDUCTED, INCLUDING BUT NOT LIMITED TO THE PRIORITY OF ANY FIXTURE FILING. IF THE U.S. DEPARTMENT OF THE TREASURY/ INTERNAL REVENUE SERVICE, THE STATE OF TENNESSEE DEPARTMENT OF REVENUE, OR THE STATE OF TENNESSEE DEPARTMENT OF LABOR AND WORK FORCE DEVELOPMENT ARE LISTED AS INTERESTED PARTIES IN THE ADVERTISEMENT, THEN THE NOTICE OF THIS FORECLOSURE IS BEING GIVEN TO THEM, AND THE SALE WILL BE SUBJECT TO THE APPLICABLE GOVERNMENTAL ENTITIES RIGHT TO REDEEM THE PROPERTY, ALL AS REQUIRED BY 26 U.S.C. 7425 AND T.C.A. 67-1-1433. THE NOTICE REQUIREMENTS OF T.C.A. 35-5-101 ET SEQ. HAVE BEEN MET.

THE RIGHT IS RESERVED TO ADJOURN THE DAY OF THE SALE TO ANOTHER DAY, TIME AND PLACE CERTAIN WITHOUT FUR-

Continued to next column

Tab 25

Supplemental #1
-Copy-

Sumner Regional Medical Center

CN1508-029

SUPPLEMENTAL #1
August 25, 2015
2:15 pm

August 25, 2015

Via Hand Delivery

Mr. Phillip Earhart
Health Services Development Examiner
Health Services Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

RE: Certificate of Need Application CN1508-029
Sumner Regional Medical Center (Satellite Emergency Department)

Dear Mr. Earhart:

Thank you for acknowledging receipt of our August 14, 2015 application for a Certificate of Need to establish a full service, 24 hour per day/7 day per week satellite emergency department to be located at 225 Big Station Camp Boulevard, Gallatin (Sumner County), Tennessee 37066.

We received your request for supplemental information on August 18th. **Our responses, below, are provided in triplicate by the deadline of 4PM, Tuesday August 25, 2015.**

---

1. **Section B, Project Description, Item I.**

   What is the average wait time in the applicant's current main emergency department?

   Response: The average wait time at Sumner Regional Medical Center's ("SRMC") emergency department ("ED") is 16 minutes[1], measured from the time the patient enters the ED to the time their medical screening exam begins.

   Please provide an overview of the applicant's experience in operating a satellite emergency facility.

   Response: Highpoint Health System (the hospital system of which SRMC is the flagship hospital) operates three successful emergency departments in Middle Tennessee that provided more than 57,000 visits in 2013[2]. Emergency medicine requires the same resources and expertise, regardless of its location and adjacency to full-service hospitals. The applicant expects no change in the level of service and care for its patients in its satellite emergency department.

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[1] Year to date, 2015
[2] Tennessee Joint Annual Reports

What are the main factors that prevent the applicant from requesting a CON for expanding the main hospital campus by adding the 5 rooms being requested for the proposed satellite ED?

Response: As discussed in the main application, SRMC added three additional ED patient treatment rooms in 2014. This moderate expansion was accomplished inexpensively through the conversion of existing office space. Unfortunately, there is no longer any additional "soft" space available for conversion to clinical use. SRMC has thoroughly maximized the footprint of its current ED service, and there is simply no internal/adjacent expansion capacity remaining.

SRMC's main campus ED is located in a walk-in type basement level of the main hospital.

- It is impractical and cost prohibitive to tunnel into subterranean areas below the existing property grade.
- Portions of the outer walls of the ED space border on adjacent property not owned by SRMC.
- The remaining outer walls (the "walk-in" portions) open to the ED patient entrance and ambulance entrance/parking area. These entrances cannot be moved and the parking cannot be reduced.
- Though the ED is adjacent to radiology, relocating radiology to new construction would prove extremely expensive due to the highly fixed nature of the service's equipment and special shielding, electrical and cooling requirements. Furthermore, radiology relocation would result in transport and screening delays for all inpatients and outpatients.

Due to these facility constraints, SRMC's only ED expansion option is to add newly constructed space. For this option, Sumner Station was deemed more appropriate than the main campus.

Please clarify if mobile crisis staff will have access to conduct assessments. If so, where? Where will law enforcement be located?

Response: Yes, mobile crisis staff will have access to conduct an assessment in the patient care area and/or the patient treatment room. If law enforcement agencies are accompanying a patient or needs to interact with the patient, accommodations will be made in the patient care area and/or treatment room.

Many times emergency room copays are waived if the patient is admitted inpatient. Please clarify if this arrangement is possible at the proposed satellite ED.

Response: Yes, such arrangements are possible and will be implemented at the satellite ED. The SRMC Satellite ED will be licensed and operated as part of Sumner Regional Medical Center. All hospital-based billing arrangements, including co-pays and indigent/charity care policies, are applicable to the satellite ED.

Please clarify if an ambulance will be stationed at the satellite ED 24 hours/day, 7days/week, 365 days/year for life-threatening transports to full service hospitals. In your response, please also identify locations of emergency ambulance locations in the proposed zip code service area.

Response: A Sumner County fire station with a dedicated EMS ambulance is located within a mile of the Sumner Station facility. This ambulance is ready to respond to emergency situations at Sumner Station and to expedite urgent and emergent transfers to full-service hospitals.

In fact, the Sumner County EMS operates 12 of these advanced life support (ALS) emergency ambulance units in Sumner County, with each unit carrying at least one licensed Paramedic.

Please see the table below for the location and count of these ALS ambulance units.

Location	# of ALS Units
Gallatin	2
Station Camp	1
Hendersonville	3
Portland	2
Westmoreland	1
Oak Grove	1
Castallian Springs	1
White House	1

Source: Sumner EMS

It is noted the applicant will provide 24/7 imaging services to the proposed satellite emergency department. Please clarify if the cost of operating the existing imaging center on weekends and after hours will be charged to the proposed emergency department. In addition, please clarify which imaging equipment would be used by the emergency department.

Response: Consistent with SRMC's current existing department cost allocation policies, no additional imaging costs will be allocated to the satellite ED. The satellite ED will have access to all imaging equipment required for emergent conditions, including CT, MRI, x-ray and ultrasound. A CT tech will be available on-site at the facility on a 24/7 basis. When the MRI tech is not on-site during normal weekday hours, one will be on call.

Please discuss if the role of telemedicine in the emergency department and the possibilities of using an off-site physician to examine ER patients during overcrowding. Please include in your response if the new proposed satellite ER will have telemedicine capabilities. If so, what will the capabilities be?

Response: Yes, the mechanical/electrical and circulation/structure GSF is included in the 10,210 SF renovation costs and cost per square foot listed in the original application. At less than 300 SF for these functions, the space had no material impact on overall cost per square foot.

Please clarify if the 735 SF for future use is included in the 10,210 SF renovation.

Response: Yes, the 735 SF of shelled space for future use is included in the 10,210 SF renovation. SRMC proposes to occupy space at Sumner Station currently used as an indoor basketball court. While the vast majority (93%) of the space in this existing footprint can be used by the satellite ED, a use for the final 735 SF (7%) has not yet been identified.

3. **Section B, Project Description, Item III.A and**
The plot plan for the proposed facility on a 24.57 acre site is noted. Please indicate the future plans the applicant has for the remaining parcel of land.

Response: The applicant does not currently have any future plans for the remaining parcel of land.

Please clarify the reason a helipad is not included in the plot plan.

Response: The proposed satellite ED will not have a helipad provided. A helipad is not required for licensure, and this was clarified with the State of Tennessee Department of Health prior to application. However, the project will have 24/7 EMS ground ambulance service at a fire station less than one mile away for expedited transport of acute care patients.

4. **Section B, Project Description, Item IV (Floor Plan)**

The floor plan of the proposed satellite facility is noted. Please provide clarification for the following:

- 735 square feet of future space is noted. Please indicate the future plans for the space.

  Response: SRMC proposes to occupy space at Sumner Station currently used as an indoor basketball court. The 735 SF of future space is included in the footprint of the building as it exists today. While the vast majority (93%) of the space in this existing footprint can be used by the satellite ED, a use for the final 735 SF (7%) has not yet been identified. If it were not shelled out as a part of this project, the space would remain available, but completely unutilized. The 735 square feet of shelled space is available for future expansion as demand dictates. However, SRMC has no current plans to do so.

Response: The satellite ED will have access to the same level of telemedicine services now provided at the main ED.

- For primarily stroke and trauma patients, SRMC currently has a tele-neurology contract in place with Vanderbilt's neurology physicians, all of whom are credentialed on SRMC's medical staff.
- Similarly, tele-cardiology will allow STEMI patients to by-pass the main ED and go straight to SRMC's cath lab for emergent treatment.

What types of innovative programs have been implemented by the applicant to ease emergency department overcrowding?

Response: To ease ED overcrowding, SRMC has utilized Lean Six Sigma black belts to examine and improve processes. This has reduced wait times and improved patient throughput. SRMC carefully balances resources to ensure that staff is available at peak times. Staffing schedules are frequently reassessed and adjusted to ensure that the total times patients spend at the ED are appropriate.

In December 2014, Tennessee Gov. Bill Haslam unveiled his Insure Tennessee plan, a two year pilot program to provide health care coverage to Tennesseans who currently don't have access to health insurance or have limited options. The program rewards healthy behaviors, prepares members to transition to private coverage, promotes personal responsibility and incentivizes choosing preventative and routine care instead of unnecessary use of emergency rooms. If passed, what will the impact of Insure TN have on the applicant's volume projection?

Response: Based on information available so far, the Insure Tennessee plan is expected to have a minimal impact on SRMC's Satellite ER volume projections.

- SRMC's services and facilities are offered to all patients in need of care, regardless of payor source.
- It is widely accepted that uninsured populations are underserved because they pursue as little healthcare as possible due to high costs.
- Lawmakers in Nashville voted down Governor Bill Haslam's Insure Tennessee plan twice, first in a special legislative session in February 2015 and then in the Senate Commerce and Labor Committee in March 2015.

Plans to extend medical coverage to 280,000 Tennesseans have failed. This population remains largely dependent on emergency departments for their care.

2. Section C, Project Description, Item II.A

The square footage and cost per square footage chart is noted. However, please clarify how the mechanical/electrical and circulation/structure GSF is included in the 10,210 SF renovation.

- The floor plans indicate there is an elevator and stairs. Please describe the building the proposed service will be located and the services included.

  Response: The proposed satellite ED will be located at the Sumner Station outpatient facility, in a space that is two stories high and currently used as a basketball court. The ED will be located on the first floor. Renovations to the space to create the ED will also create additional rentable space above the ED, ultimately envisioned to contain two medical office suites. Life safety code requirements dictate the need for the additional third elevator and third stairs reflected in the floor plans.

  Please note that the applicant has not reflected any potential rental revenues on these two office suites in its pro formas, and that all renovation costs involved were included in the original CON application.

  Other space within the building is currently occupied by a diagnostic imaging center, an OT/PT/Speech practice, a Pediatrics practice, a Family Practice office and a Sports Medicine practice. The Radiation Oncology and Medical Oncology programs are in the process of relocating from the main hospital to Sumner Station[3].

- Please describe if there will be a behavior room. If so, how will the room be secured?

  Response: Yes, there will be a behavior room. As in SRMC's main ED, the satellite ED will be secured by patient safety panels that will slide over medical gas lines and other potential patient hazards.

- Please indicate where the proposed future 5th treatment room will be located.

  Response: SRMC will reconfigure an adjacent 135 SF office, which will inexpensively optimize the current space and maintain patient flow.

- If needed, how may the applicant expand the proposed site to accommodate additional treatment rooms? In your response, please indicate the square footage and the number of treatment rooms.

  Response: If necessary in the future, SRMC can add four additional treatment rooms at the satellite ED by building out the 735 SF shelled space indicated for future expansion on the floor plan.

- If the applicant plans to use the existing imaging center, please clarify the reason there is a portable x-ray included in the proposed floor plan.

  Response: SRMC does plan to use the imaging center for any emergent conditions requiring its services. However, to remain consistent with the clinical practices of the hospital's main ED, an additional portable x-ray is included immediately adjacent to the patient treatment rooms.

[3] Recently approved in separate CON applications.

- Please compare the square footage of the proposed treatment and trauma emergency department rooms with existing minimum square footage standards.

  Response: As stated in Tab 11 of the attachments included with the original application (the architect's cost verification letter), the square footage of the proposed treatment and trauma emergency department rooms have been designed in accordance with the 2010 FGI Guidelines for the Design and Construction of Health Care Facilities.

Please complete the following chart:

Proposed Changes in Emergency Department (ED)

Patient Care Areas other than Ancillary Services	# Hospital ED	# Satellite ED	# Combined EDs
Exam/Treatment Rooms	26	4	30
Multipurpose	26	4	30
Gynecological	26	4	30
Holding/Secure/Psychiatric	2	1	3
Isolation	2	1	3
Orthopedic	26	4	30
Trauma	4	1	5
Other	3		3
Triage Stations	1	1	2
Decontamination Rooms/Stations	1	1	2
Total			
GSF of Main and Satellite ED's	19,051	10,210	29,261

5. **Section C, Need, Item 1 (Project Specific Criteria) Construction, Renovation, and Item 3.a**

   It is noted on the top of page 19 the ED visits in two zip codes have grown by 4.7% per year. Please clarify if this statement should be the "average of 4.7% per year" from 2010 to 2014.

   Response: This assertion is correct. The 4.7% annual growth stated is the average growth per year.

   Exhibit 5 on page 19 is noted. However, please clarify how the applicant derived the need of an additional 5 to 14 treatment/exam rooms on a 6 year growth of 5,399 ED visits using a standard of 1,500 per treatment/exam room.

Response: The projected need for 14 treatment rooms is discussed on page 17 of the application. It posits that if the actual State of Tennessee age cohort ED use rates for 2014 to 2020 are applied to the projected Sumner County population, there is projected growth of 14,442 additional visits. This reflects the disparity of current ED use rates within Sumner County compared to the surrounding counties and the state of Tennessee overall.

Based on a standard of 1,500 visits per emergency treatment room per year from the American College of Emergency Physicians, this incremental volume alone (14,442 visits) is sufficient to support 10 emergency treatment rooms at 100% utilization or 14 emergency treatment rooms at 70% utilization ((14,442 ÷ 1,500)÷ 70% = 13.75=14 treatment rooms).

Emergency visits decreased from 37,404 in 2012 to 37,147 in 2014 at SRMC's main campus. Why is there now a need for a satellite ER?

Response: Emergency visits at SRMC's main campus decreased slightly (less than 0.7%) over the two year period. This is a combination of 2.7% growth from 2012 to 2013 and a 3.3% loss from 2013 to 2014. Annualized data point to a 1.9% increase (rebound) for 2015.

This temporary decline in 2014 is directly attributable to the opening of the TriStar Portland (Sumner County) ER in January 2014. Added capacity in Portland resulted in a single-year volume decline at SRMC.

As demonstrated in the original CON application, ED visits from Sumner County residents have increased rapidly and are projected to continue growing. Population projections and natural aging both indicate a need for additional ED capacity, especially at SRMC. In 2012, SRMC had 23 ED treatment rooms. At 1,500 visits per room per year, the ED operated at 108.4% of capacity (or 90.3% of capacity at 1,800 visits per room per year). In 2014, SRMC added three rooms and still operated at 95.3% of capacity based on 1,500 visits per room per year (or 79.4% of capacity based on 1,800 visits per room per year.) Data for 2015 suggest that SRMC will soon reach utilization levels necessitating another increase in ED treatment rooms.

The number of ED visits reported for the Years 2010 to 2013 is noted in Exhibit 6. However, there appears to be discrepancies with figures reported in the joint annual reports. Please refer to the following table in addressing the following questions:

- Do the visits by payer include indigent and uninsured individuals?

  Response: Yes, the visits by payer include indigent and uninsured individuals.

- Why are there mostly a higher number of ER patients actually reported (A) in Exhibit 6 than what was reported as being treated by triage in (C) below?

  Response: The differences in the number of patients reported are due to the variety of different reporting systems utilized internally by SRMC. Depending on the source, whether it be the financial/billing system, the medical records system, or the ED documentation system, there can be slight variations in the patient volumes reported – one to three percent. These differences are neither significant nor material.

- Why are there more patients presented in ER in (D) than was reported as being treated in (A). Where did the difference of patients go?

  Response: As detailed in the response given above, the differences in the number of patients reported are due to the variety of different reporting systems utilized internally by SRMC. Depending on the source, whether it be the financial/billing system, the medical records system, or the ED documentation system, there can be slight variations in the patient volumes reported – one to three percent. These differences are neither significant nor material.

- Why was there not any patients referred to a physician or clinic for treatment and not treated in the ER?

  Response: Federal regulations require all hospitals to serve every patient presenting in the emergency department. Highpoint Health System operates its EDs "*to ensure that individuals coming to an affiliated Hospital's Dedicated Emergency Department seeking assessment or treatment for a medical condition, or coming to Hospital Property requesting (or obviously requiring) treatment for an Emergency Medical Condition receive an appropriate Medical Screening Examination as required by the Emergency Medical Treatment and Labor Act ("EMTALA")*". Please see **Attachment 1** for SRMC's EMTALA policy, which will also apply to the satellite ED.

  In practice, SRMC's policies and results are consistent with other Tennessee area hospitals.

  - There are eleven Tennessee hospitals within 25 miles of SRMC.
  - Three did not complete a 2013 JAR – NorthCrest Medical Center, TriStar Portland and TriStar Skyline Madison.

- Of the remaining eight, five did not refer out a single ER patient to a physician or clinic for treatment - Nashville General, Saint Thomas Midtown, TriStar Hendersonville, TriStar Summit, Trousdale Medical Center.

- Three hospitals - Macon County General, TriStar Skyline and University (Lebanon) - referred out a total of only 688 ER patients in 2013, or 0.75% of their combined 91,214 ER patients.

- Stated another way, the eight hospitals reporting on the 2013 JAR served 267,322 ER patients and referred out only 688 (0.26%) to physicians and clinics.

Conclusion - SRMC, like its peers, refers out few if any ER patients for treatment by a physician or clinic.

Total SRMC Main Campus ED Visits				
	2010	**2011**	**2012**	**2013**
A. Reported in Exhibit 6-Page 21 of application	**31,781**	**35,453**	**37,404**	**38,406**
# visits by payer				
B. Reported in Joint Annual Report Page 36	31,781	35,453	37,404	38,417
Difference in Exhibit 6 in application	**0**	**0**	**0**	**+6**
Triage # Actual Treated				
C. Reported in Joint Annual Report-Page 38	31,521	35,272	37,413	38,262
Difference in Exhibit 6	**-260**	**-181**	**+9**	**-144**
# of patients presented in ER				
D. Reported in Joint Annual Report Page 38	32,568	35,552	37,851	38,596
Difference In Exhibit 6	**+787**	**+99**	**+447**	**+190**
E. Total # not treated in ER but referred to physician or clinic for TX				

Reported in Joint Annual Report under Triage 8.C. Page 38	0	0	0	0

6. **Section C, Need, Item 3 (Service Area)**

Please provide a map of the entire state of Tennessee designating the applicant's declared service area counties. Please provide distinctive highlighting/ markings to readily differentiate the service area counties from the other non-service area counties.

Response: Please see **Attachment 2** for a map detailing the applicant's declared service area, Sumner County.

7. **Section C, Need, Item 4.A. and 4.B.**

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each zip code in your proposed service area.

Variable	*Zip Code 37066*	*Zip Code 37075*
Current Year (CY), Age 65+[4]	*N/R*	*N/R*
Projected Year (PY), Age 65+	*N/R*	*N/R*
Age 65+, % Change	*N/R*	*N/R*
Age 65+, % Total (PY)	*N/R*	*N/R*
CY, Total Population	*N/R*	*N/R*
PY, Total Population	*N/R*	*N/R*
Total Pop. % Change	*N/R*	*N/R*
TennCare Enrollees[5]	*N/R*	*N/R*
TennCare Enrollees as a % of Total Population	-	-
Median Age[6]	*38.4*	*39.0*
Median Household Income	*$49,632*	*$63,464*
Population % Below Poverty Level	*12.9%*	*8.7%*

Please indicate if there are any medically underserved areas in either zip code 37066 or 37075.

[4] Tennessee Department of Health population data projections only calculated at a county level.
[5] TennCare enrollees are only reported at a county level.
[6] Census Bureau, 2013 data (Median age, median household income, and poverty status)

Response: Yes, there are two medically underserved areas (census tracts) in zip code 37066, CT 0207.00 and CT 0208.00.

8. **Section C, Need, Item 5.**

Exhibit 13 of the top hospitals serving Sumner County ED patients is noted. Please indicate where the approximate remaining 10% of patients originating in Sumner County in 2012, 2013, and 2014 go for emergency department services.

Response: Please see **Attachment 3** for a listing of hospitals that treated the remaining 10% of Sumner County ED patients for 2012, 2013 and 2014.

The use of the Tennessee Hospital Association Market IQ Data in Exhibit 13 is noted. Please use the THA Market IQ Data to complete the following table of emergency department patient origin for Zip Codes 37066 and 37075 for hospitals with a market share over 3%.

Zip Code 37066						
	2012		**2013**		**2014**	
Facility	**Visits**	**%**	**Visits**	**%**	**Visits**	**%**
Sumner Regional Medical Center	18,628	72.6%	18,969	72.9%	20,293	73.3%
TriStar Hendersonville Medical Center	3,758	14.7%	3,835	14.7%	3,826	13.8%
Vanderbilt University Hospitals	1,111	4.3%	1,112	4.3%	1,089	3.9%
All Others	2,151	8.4%	2,122	8.1%	2,484	9.0%
Total	**25,648**	**100.0%**	**26,038**	**100.0%**	**27,692**	**100.0%**
Zip Code 37075						
	2012		**2013**		**2014**	
Facility	**Visits**	**%**	**Visits**	**%**	**Visits**	**%**
TriStar Hendersonville Medical Center	15,386	68.3%	15,231	68.9%	15,834	68.7%
Vanderbilt University Hospitals	2,033	9.0%	1,923	8.7%	1,824	7.9%
TriStar Skyline Medical Center	1,506	6.7%	1,416	6.4%	1,631	7.1%
Sumner Regional Medical Center	1,058	4.7%	1,109	5.0%	1,105	4.8%
All Others	2,532	11.2%	2,412	10.9%	2,641	11.5%
Total	**22,515**	**100.0%**	**22,091**	**100.0%**	**23,035**	**100.0%**

Sumner County Emergency Departments	ER Rooms	2012 Visits	2013 Visits	2014 Visits	12-14 % Change	2014 Average Per Room
Hospital						
Sumner Regional Medical Center	26	37,193	37,953	36,832	-1.0%	1,417
TriStar Hendersonville Medical Cntr	15	31,366	31,558	32,828	4.7%	2,189
TriStar Portland ER	8	-	-	10,567	-	1,321
Total	49	68,559	69,511	80,227	17.0%	1,637

Please complete the following table:
Source: THA MarketIQ data

9. **Section C, Need, Item 6.**

Please identify existing urgent care centers in the applicant's service area by completing the table below.

Response: For the purposes of this table, urgent care centers (as opposed to walk-in clinics) typically have at least one medical doctor on staff, and offer care to higher acuity patients.

Urgent Care Centers in Applicant's Proposed Service Area

Urgent Care Center Name	Address	Distance from Proposed ED	Operating Hours
Gallatin Urgent Care	728 Nashville Pike Gallatin, TN 37066	5.7 miles	M-F 8AM-5:30PM, Sat 9AM-1:30PM, Sun CLOSED
American Family Care	291 Indian Lake Blvd Hendersonville, TN 37075	5.7 miles	7 days a week 8AM-6PM
TriStar Health CareSpot Urgent Care	280 Indian Lake Blvd Hendersonville, TN 37075	5.8 miles	7 days a week 8AM-8PM

Please complete the following table for SRMC patients treated and projected to be treated by level of care (level 1 corresponds to CPT code 99281 (lowest acuity patient), Level 2 (CPT Code 99282), Level 3 (CPT Code 99283), Level 4 (CPT Code 99284), while level 5 corresponds to (CPT Code 99285 - highest acuity patient).

SRMC Historical and Projected ED Utilization by Levels of Care

					Project Yr. 1	Project Yr. 2
	2013	2014	2015	2016	2017	2018
Main ED						
Level I	1,801	1,480	1,508	1,561	1,413	1,462
Level II	1,991	1,673	1,704	1,764	1,597	1,653
Level III	12,108	11,657	11,874	12,290	11,126	11,515
Level IV	11,694	11,525	11,739	12,150	10,999	11,384
Level V	10,809	10,812	11,013	11,398	10,318	10,680
Sub Total	38,403	37,147	37,838	39,162	35,453	36,694
Satellite ED						
Level I					231	239
Level II					261	270
Level III					1,817	1,880
Level IV					1,796	1,859
Level V					1,685	1,744
Subtotal					5,789	5,992
Total Combined ED's					41,242	42,686

10. Section C. Economic Feasibility Item 1 (Project Cost Chart) and Item 3
Please indicate what is included in "other costs" in the amount of $676,200 in A.9 in the Project Costs Chart.

Response: This represents the costs of permits, communications infrastructure, project development fees paid to outside consultants (excluding Architectural and engineering fees), and internal company costs allocated from the applicant's

Corporate office, which includes an administrative fee, and an imputed capitalized interest.

Please indicate the cost of the facility and revise the Project Costs Chart. The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater.

Response: The Sumner Station facility was constructed in 2008. SRMC purchased the facility in December 2013. The facility is owned by SRMC, not leased, and there is no lease payment associated with the proposed project. The proposed renovations associated with the satellite ED project are the equivalent of renovating the space at the main hospital facility.

The area containing the proposed satellite ED is not new space and, as such, the applicant has not revised the Project Costs chart to reflect any additional costs.

11. Section C, Economic Feasibility, Item 2 and Orderly Development Item 8 and 9

The funding letter is noted. However, since the project will be funded from cash reserves, please revise the funding letter stating the proposed project will be funded from Life Point's cash reserves.

Response: Please see **Attachment 4** for a revised funding letter.

12. Section C, Economic Feasibility, Item 4 (Historical Data Chart and Projected Data Chart)

The Projected Data Chart for the proposed satellite emergency department is noted. However, please explain the reason why there is no charity care assigned in Year 1 and Year 2 while on the top of page 39 the applicant notes charity care in the amount of $120,000.

Response: Charity care was included in the contractual adjustments and bad debt rather than listed separately. The satellite ED at Sumner Station will offer the same Charity Care program as that of the main Campus. Please see **Attachment 5** for a copy of SRMC's Charity Care policy. Please see **Attachment 6** for a revised projected data chart for the satellite ED that breaks out charity care from the contractual adjustments and bad debt.

Please clarify what the $255,000 E/R Physician Coverage Subsidy in the other expenses category represents in the Projected Data Chart for the proposed satellite emergency department.

Response: The $255,000 represents the cost of physician coverage for the satellite ED, which will be contracted out to Sumner Emergency Physicians, LLC, an independently owned ER Physician group, which already provides physician coverage at the Emergency Department on SRMC's main campus.

Please provide a Historical and Projected Data Chart for SRMC's Emergency Department.

Response: Please see **Attachments 7 and 8** for a Historical and Projected Data Chart for SRMC's Emergency Department.

Please provide a Projected Data Chart for the total hospital.

Response: Please see **Attachment 9** for a Projected Data Chart for the total hospital.

13. Section C, Economic Feasibility, Item 6

Exhibit 18 is noted on the top of page 37. Please discuss what the service mix index is and how it is applied to this exhibit.

Response: The service mix index is a measure of patient acuity used by CMS for Medicare patients to differentiate levels of patient care required. The higher the index value, the greater the patient's needs and the greater the provider's reimbursement.

To compare charges from one facility to another, one must first adjust for different levels of patient acuity at each facility. This is accomplished by dividing the facility average charge by the facility service mix index, or comparing charges at all facilities as if they had a common service mix index equal to 1.00.

Please compare the proposed satellite ED charges to proposed charges of similar satellite ED projects recently approved by the Health Services and Development Agency.

Response: Please see the table below which compares gross charges per visit for SRMC, Gateway Medical Center, and Northcrest Medical Center's recent satellite ED projects.

Projected Gross Charge Per Visit		
Year 1		
SRMC	Gateway	Northcrest
$3,148	$3,307	$1,381

Sources: Internal data, Gateway/Northcrest CON submissions

14. Section C, Economic Feasibility, Item 9

The estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation is noted. However, it appears to percentages do not correspond with the proposed satellite ED projected data chart. Please clarify.

Response: Please see the completed table below for the applicant's historical and projected payor mix at both the main hospital ED and the proposed satellite ED.

The participation of the proposed ED facility in state and federal programs is noted. However, please also provide the overall payor mix projected for both the main campus ED and the proposed satellite ED in Year 1 by completing the table below.

Applicant's Historical and Projected Payor Mix

Payor Source	Main ED Gross Operating Revenue 2014	As a % of Gross Operating Revenue 2014	Main ED Gross Operating Revenue Year 1	As a % of Gross Operating Revenue Year 1	Satellite ED Gross Operating Revenue Year 1	As a % of Gross Operating Revenue
Medicare	40,173,912	29.46%	32,878,603	29.46%	5,368,635	29.46%
TennCare	31,890,420	23.39%	26,099,337	23.39%	4,261,672	23.39%
Managed Care	35,108,130	25.75%	28,732,733	25.75%	4,691,670	25.75%
Commercial	2,397,943	1.76%	1,962,493	1.76%	320,449	1.76%
Self-Pay	22,584,622	16.56%	18,483,408	16.56%	3,018,093	16.56%
Other	4,210,529	3.09%	3,445,925	3.09%	562,673	3.09%
Total	136,365,556	100%	111,602,499	100%	18,223,193	100%

Source: Internal data

15. Section C, Economic Feasibility, Item 9

Please clarify if the applicant conducted a feasibility study of expanding the main ED and what that cost would be.

Response: The applicant did not conduct a feasibility study of expanding the main ED. As discussed in the main application, SRMC added three additional ED patient treatment rooms in 2014. This moderate expansion was accomplished inexpensively through the conversion of existing office space. Unfortunately, there is no longer any additional "soft" space available for conversion to clinical use. SRMC has thoroughly maximized the footprint of its current ED service, and there is simply no internal/adjacent expansion capacity remaining.

As detailed above, SRMC's main campus ED is located in a walk-in type basement level of the main hospital.

- It is impractical and cost prohibitive to tunnel into subterranean areas below the existing property grade.
- Portions of the outer walls of the ED space border on adjacent property not owned by SRMC.
- The remaining outer walls (the "walk-in" portions) open to the ED patient entrance and ambulance entrance/parking area. These entrances cannot be moved and the parking cannot be reduced.
- Though the ED is adjacent to radiology, relocating radiology to new construction would prove extremely expensive due to the highly fixed nature of the service's equipment and special shielding, electrical and cooling requirements. Furthermore, radiology relocation would result in transport and screening delays for all inpatients and outpatients.

Due to these facility constraints, SRMC's only ED expansion option is to add newly constructed space. For this option, Sumner Station was deemed more appropriate than the main campus.

Please address the cost/benefit of having to transfer satellite ED patients by ambulance to the main ED vs. expanding the main ER and not having any ambulance expense.

Response: In calendar year 2014, approximately 15.25% of SRMC emergency department patients were admitted as an inpatient and approximately 5.32% were admitted as an observation patient.

As these data indicate, more than three quarters of ER patients do not require a bed of any type, be it a regular inpatient bed or an observation bed. For the vast majority of ER patients, care at a satellite ER can be delivered more quickly, closer to home, with less travel time to downtown Gallatin.

For the minority of ER patients who do require a bed of some type for at least a few hours, care at a satellite ER also can be delivered more quickly, closer to home and with less travel time to downtown Gallatin. Every minute counts in a true emergency. An ambulance transfer is a minor inconvenience compared to more quickly stabilizing a patient in an emergent and potentially life threatening condition.

16. Section C, Orderly Development, Item 1.

The list of managed care and provider contracts under Attachment, Orderly Development-1 is noted. However, the attachment could not be located. Please clarify.

Response: This reference was a typographical error. The sentence should read "Lists of managed care *organizations* and provider *organizations with which SRMC has contracts* are attached under Attachment C, Contribution to the Orderly Development of Health Care - 1." The attachment being referenced is included at Tab 6 of the original application.

Please indicate where emergency OB patients will be referred for treatment from the proposed satellite facility. Also, please clarify if the OB patients would be admitted directly to the receiving facility, or would need to admit through the receiving hospital's ED.

Response: Like other patients described above, OB patients will be transferred to Sumner Regional Medical Center. These OB patients will be admitted directly to the receiving facility via SRMC's OB triage area. Already registered at SRMC

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through the Satellite ED admission and intake processes, there would be no need to be admitted a second time through the receiving hospital's ED.

We hope these responses are sufficient to deem this CON application complete. A notarized affidavit is provided in **Attachment 10**.

I may be reached by phone at 615-328-6695 or by email at Michael.Herman@LPNT.net to clarify any other matters.

Sincerely,

Michael Herman
Chief Operating Officer
Sumner Regional Medical Center

Attachments

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Attachment 1

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Current Status: *Active* PolicyStat ID: *1011593*

SUMNER Regional Medical Center
HIGHPOINT HEALTH SYSTEM

Effective:
Approved:
Last Revised:
Expiration:
Policy Area: *Risk Management*
Applicability: *Sumner Regional Medical Center*

EMTALA- Medical Screening and Treatment of Emergency Medical Conditions

SCOPE:

All HighPoint Health System-affiliated facilities including Hospitals and any entities operating under the Hospital's Medicare Provider Number including, but not limited to, the following:

All Clinical Departments	Administration
Ancillary Services	Quality Management
Admitting/Registration	Risk Management
Employed Physicians	Emergency Department
Hospital owned Medical Office Buildings	Urgent Care Centers/Clinics
Nursing	Finance
Hospital Department (on and off campus)	
Hospital Based Entity (on campus)	

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PURPOSE:

To ensure that individuals coming to an affiliated Hospital's Dedicated Emergency Department seeking assessment or treatment for a medical condition, or coming to Hospital Property requesting (or obviously requiring) treatment for an Emergency Medical Condition receive an appropriate Medical Screening Examination as required by the Emergency Medical Treatment and Labor Act ("EMTALA"), 42 U.S.C., Section 1395 and all Federal regulations and interpretive guidelines promulgated thereunder, and, if an Emergency Medical Condition is determined to exist, such individuals are offered stabilizing treatment within the Hospital's capabilities and/or are transferred if appropriate, all without regard to the patient's insurance coverage or ability to pay.

POLICY:

Any individual who comes to the Hospital Property or Premises requesting examination or treatment is entitled to and shall be provided an appropriate Medical Screening Examination performed by a physician or other Qualified Medical Personnel to determine whether or not an Emergency Medical Condition exists.

If an Emergency Medical Condition is found to exist, the Hospital will (without regard for the patient's insurance coverage or ability to pay) provide: (a) stabilizing treatment within the capabilities of the Hospital and its staff (including on-call physicians and diagnostic services), and/or (b) an appropriate transfer to another medical facility (if required for the patient's treatment or requested by the patient).

PROCEDURE:

1. DEFINITIONS:
    - **Appropriate transfer** occurs (once a physician has certified the need for transfer or the patient has requested transfer after an explanation of the risks and the Hospital's obligation to provide stabilizing services) when:
        i. the transferring Hospital provides medical treatment within its capacity that minimizes the risks to the individual's health and in the case of a woman in labor, the health of the unborn child;
        ii. the receiving facility has the available space and qualified personnel for the treatment of the individual and has agreed to accept transfer of the individual and to provide appropriate medical treatment;
        iii. the transferring Hospital sends to the receiving Hospital all medical records (or copies thereof) related to the Emergency Medical Condition for which the individual has presented, available at the time of transfer, including records related to the individual's Emergency Medical Condition, observations of signs or symptoms, preliminary diagnosis, treatment provided, results of diagnostic studies or telephone reports of the studies, and the informed written consent or certification required, name and address of any on-call physician who has refused or failed to appear

within a reasonable time to provide necessary stabilizing treatment, and that any other records that are not readily available at the time of transfer are sent as soon as practicable after the transfer; and

iv. the transfer is effected through qualified personnel, transportation and equipment, as required, including the use of necessary and medically appropriate life support measures during the transfer.

- **Campus** means the physical area immediately adjacent to the main Hospital, other areas and structures that are not strictly contiguous to the main Hospital buildings but are located within 250 yards of the main buildings, and any other areas determined on an individual case basis, by the CMS regional office, to be part of the main Hospital's campus.
- **Capabilities** of a Hospital provider means the physical space, equipment, supplies and services (*e.g.*, trauma care, surgery, intensive care, pediatrics, obstetrics, burn unit, neonatal unit or psychiatry), including ancillary services, available to Hospital patients. The capabilities of the Hospital's staff mean the level of care that the Hospital's personnel can provide within the training and scope of their professional licenses. For off-campus departments, the capability of the Hospital as a whole is included. The obligations of the Hospital provider must be discharged within the Hospital as a whole.
- **Capacity** means the ability of the Hospital to accommodate the individual requesting examination or treatment of the transferred individual at the time in question. Capacity encompasses number and availability of qualified staff, beds, equipment and consideration of the Hospital's past practices of accommodating additional patients in excess of its occupancy limits.
- **Central Log** is a log that a Hospital is required to maintain on each individual who comes to its emergency department or any location on the Hospital Property or Premises seeking assistance and that contains the disposition of each individual, whether he or she refused treatment, was refused treatment, or whether he or she was transferred, admitted and treated, stabilized and transferred or discharged. The purpose of the central log is to track the care provided to each individual who comes to the Dedicated Emergency Department seeking examination or treatment for a medical condition, or who comes to the Hospital Property or Premises seeking care for an Emergency Medical Condition. The central log includes, directly or by reference, patient logs from other areas of the Hospital, such as pediatrics and labor and delivery, which may also be Dedicated Emergency Departments where a patient might present for emergency services or receive a Medical Screening Examination instead of in the traditional emergency department. The requirements for the Central Log are described in more detail in SF 904 EMTALA – Central Log.
- **Dedicated Emergency Department:** A department of the Hospital, that can be either on or off the campus, which meets one or more of the following conditions:

1. Licensed by that state as an emergency department;

2. Held out to the public as providing care for emergency medical condition(s) on an urgent basis without an appointment; or

3. An outpatient treatment location which, in the last calendar year, provided at least one-third of all outpatient visits (based on random sample) for the treatment of Emergency Medical Conditions without requiring a previously scheduled appointment.
   Note that a Hospital may have more than one location that satisfies the definition of "Dedicated Emergency Department."

Department of Hospital means a division of the Hospital through which the Hospital furnishes health care services of the same type as those furnished by the Hospital under the name, ownership, provider certification, and financial and administrative control of the Hospital, whether on or off campus. A department of a Hospital may not be licensed to provide health care services in its own right and may not by itself be qualified to participate in Medicare as a provider. The Medicare Conditions of Participation do not apply to a department as an independent entity but apply to the department as a part of the Hospital.

Emergency Medical Treatment and Active Labor Act ("EMTALA") refers to Sections 1866 and 1867 of the Social Security Act, 42 U.S.C. Section 1395dd, which obligates Hospitals to provide medical screening, treatment and transfer of individuals with Emergency Medical Conditions or women in labor. It is also referred to as the "anti-dumping" statute and COBRA.

Emergency Medical Condition means:

0. A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain, psychiatric disturbances and/or symptoms of substance abuse) such that the absence of immediate medical attention could reasonably be expected to result in:
   a. Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;
   b. Serious impairment to bodily functions; or
   c. Serious dysfunction of any bodily organ or part; or

1. With respect to a pregnant woman who is having contractions:
   a. That there is inadequate time to effect a safe transfer to another Hospital before delivery; or
   b. That transfer may pose a threat to the health or safety of the woman or the unborn child.

Hospital means a main hospital provider that has entered into a Medicare Provider Agreement, including a critical access or rural primary care hospital. For the purpose of

these policies, hospital refers to the main building in which the emergency department is located.

Hospital Property or Premises means the entire Hospital campus, including the parking lot, sidewalk, driveway, and common areas in Hospital-owned MOBs on campus, as well as any facility or organization that is located off the Hospital campus but satisfies the definition of Dedicated Emergency Department. Hospital Property or Premises excludes those locations on the campus that are either operated under a Medicare provider number that is different than the Hospital's, or that are not under the control of the Hospital, whether such location is used for medical or non-medical purposes (such as private medical offices, gift shops not operated by the Hospital).

Labor means the process of childbirth beginning with the latent or early phase of labor and continuing through the delivery of the placenta. A woman experiencing contractions is in true labor unless a physician, certified nurse-midwife, or qualified medical personnel acting within his or her scope of practice as defined in hospital medical staff bylaws and State law certifies that, after a reasonable period of observation, the woman is in false labor. The Hospital should specify in its medical records policies the mechanisms which may be utilized for such certification.

Medical Screening Examination is the process required to reach with reasonable clinical confidence, the point at which it can be determined whether or not an Emergency Medical Condition exists or a woman is in labor. Such screening must be done within the facility's capability and available personnel, including on-call physicians. The Medical Screening Examination must be performed by a Physician or other Qualified Medical Personnel. The Medical Screening Examination is an ongoing process and the medical records must reflect continued monitoring based on the patient's needs and must continue until the patient is either stabilized or appropriately transferred. Triage does not constitute a Medical Screening Examination.

Movement from Off-Campus Department means the movement of a patient from an off-campus department to the main Hospital campus. Movement of the individual from the off-campus department to the main Hospital campus is not considered a transfer.

On-Call List refers to the list that the Hospital is required to maintain which defines those physicians who are "on-call", directly or by arrangement, to assist the emergency department physician or QMP in the care of the patient after the initial Medical Screening Examination, to provide further evaluation and/or treatment necessary to stabilize an individual with an Emergency Medical Condition. The purpose of the on-call list is to ensure that the emergency department is prospectively aware of which physicians, including specialists and sub-specialists, directly or by arrangement, are available to provide treatment necessary to stabilize individuals with Emergency Medical Conditions. If a Hospital offers a service to the public, the service should be available to patients of the emergency department. Additional requirements regarding the On-Call

List are contained in Policy SF 906 (EMTALA – Provision of On-Call Coverage).

Physician means: (i) a doctor of medicine or osteopathy; (ii) a doctor of dental surgery or dental medicine who is legally authorized to practice dentistry by the State and who is acting within the scope of his/her license; (iii) a doctor of podiatric medicine to the extent that he/she is legally authorized to perform by the State within the scope of his/her license; or (iv) a doctor of optometry to the extent that he/she is legally authorized to perform by the State within the scope of his/her license.

Physician Certification refers to written certification by the treating physician ordering the transfer and prior to the patient's transfer, that based on the information available at the time of transfer, the medical benefits reasonably expected from the provision of appropriate medical treatment at another medical facility outweigh the increased risks to the individual and, in the case of a woman in labor, to the unborn child, from effecting the transfer. The certification shall include a summary of the risks and benefits upon which the certification is based and the reason(s) for the transfer. If a physician is not physically present at the time of transfer, a QMP can sign the certification as long as the QMP is in consultation with the physician and the physician is in agreement with the certification and subsequently countersigns the certification.

Prudent Layperson describes any non-medically trained but reasonably attentive observer.

Qualified Medical Person or Personnel, or "QMP", means an individual other than a licensed physician who has demonstrated current competence in the performance of Medical Screening Examinations and been approved by the main Hospital provider's governing board as qualified to administer one or more types of Medical Screening Examination and complete/sign a certification for transfer in consultation with a physician. The non-physician practitioners designated as QMPs must be set forth in a document that is approved by the governing body of the Hospital. Ad hoc QMP designations are not permissible.

Signage refers to the Hospital requirement to post signs conspicuously in any emergency department or in a place or places likely to be noticed by all individuals entering the emergency department as well as those individuals waiting for examination and treatment in areas other than the traditional emergency department, (*e.g.,* outpatient departments, on campus Hospital based entities, labor and delivery, waiting room, admitting area, entrance and treatment areas), informing the patients of their rights under Federal law with respect to examination and treatment for Emergency Medical Conditions and women in labor. The sign must also state whether or not the Hospital participates in the State's Medicaid program. Specific Signage requirements are described in Policy SF 905 (EMTALA-Signage).

Stabilized with respect to an Emergency Medical Condition means that no material deterioration of the condition is likely, within reasonable medical probability, to result from or occur during the transfer of the individual from the facility or in the case of a

woman in labor, that the woman delivered the child and the placenta. A patient will be deemed stabilized if the treating physician of the individual with an Emergency Medical Condition has determined, within reasonable clinical confidence, that the Emergency Medical Condition has been resolved.

To Stabilize means, with respect to an Emergency Medical Condition to either provide such medical treatment of the condition as may be necessary to assure, within reasonable medical probability, that no material deterioration of the condition is likely to result from or occur during the transfer of the individual from a facility or, in the case of a woman in labor, that the woman has delivered the child and the placenta.

Stable for Discharge: A patient is considered stable for discharge, when within reasonable clinical confidence, it is determined that the patient has reached the point where his/her continued care, including diagnostic work-up and/or treatment, could reasonably be performed as an outpatient or later as an inpatient, provided the patient is given a plan for appropriate follow-up care with the discharge instructions. For the purpose of discharging a patient with psychiatric condition(s), the patient is considered to be stable for discharge when he/she is no longer considered to be a threat to him/her or to others.

Transfer means the movement of an individual outside a Hospital's facilities at the direction of any person employed by (or affiliated or associated, directly or indirectly, with) the Hospital, but does not include such a movement of an individual who has been declared dead or who leaves the facility against medical advice or without being seen.

Triage is a sorting process to determine the order in which patients will be provided a Medical Screening Examination by a physician or qualified medical person. Triage is not the equivalent of a Medical Screening Examination and does not determine the presence or absence of an Emergency Medical Condition.

Facility Policies

Each Hospital that provides emergency medical services must develop policies and procedures to insure compliance with EMTALA requirements. Such policies should contain the following provisions:

. **General Requirements: Registration, Triage, and MSE.**

0. **Registration and Log**

Each such presenting individual must be listed in the Central Log described in more detail in Policy SF 904 (EMTALA – Central Log). The MSE may not be delayed in order to secure the individual's insurance information or payment arrangements. Hospitals should request this information only after the MSE has begun.

Patients who inquire about financial responsibility for emergency care will be encouraged to delay such discussion until after the Medical Screening Examination has begun. These patients should also be told that the Hospital will provide an MSE and stabilizing treatment, regardless of the patient's ability to pay.

Hospitals are prohibited from seeking prior authorization for the screening or

stabilizing services from the individual's insurer or managed care organization. Each Hospital should ensure that it uses a reasonable registration process that does not delay screening or treatment and does not unduly discourage individuals from remaining for further evaluation.

1. **Triage**
   The Hospital should utilize the Triage Process to determine the order in which patients receive an MSE and further treatment as necessary. Triage does **not** determine the presence or absence of an Emergency Medical Condition.

2. **Medical Screening Examination (or "MSE")**
   In general, when an individual (who is not a Hospital inpatient or a registered outpatient in the course of an appointment)

   - comes to a Dedicated Emergency Department and requests assessment or treatment for a medical condition (whether or not the individual believes it to be an emergency), or the request is made on the individual's behalf; or
   - presents to a location on the Hospital Property other than the Dedicated Emergency Department and a requests examination or treatment of an Emergency Medical Condition (or such request is made on the individual's behalf), or a Prudent Layperson would recognize that the individual needs emergency assistance

   the Hospital must provide for an appropriate Medical Screening Examination ("MSE") conducted by a physician or other QMP, including to the extent necessary ancillary services within the Hospital's capabilities and on-call physician services, to determine whether or not an Emergency Medical Condition exists (or with respect to a pregnant woman having contractions, whether the woman is in labor).
   Provision of the MSE is required regardless of the Hospital's size or payor mix. Hospitals shall not discriminate against any individual seeking such services because of diagnosis (e.g., labor, AIDS), financial status (e.g., uninsured, Medicaid), race, color, national origin, or handicap. An MSE is required each time a patient presents to the DED (or elsewhere on Hospital Property as described above).
   Depending on the patient's presenting symptoms, the Medical Screening Examination may range from a simple process involving only a brief history and physical examination to a complex process that also involves performing ancillary studies and procedures such as (but not limited to) lumbar punctures, clinical laboratory tests, CT scans and other diagnostic tests and procedures. A Medical Screening Examination is not an isolated event. It is an on-going process. The record must reflect continued monitoring according to the patient's needs and must continue until he/she is stabilized or appropriately transferred. There should be evidence of this evaluation documented in the

medical record prior to discharge or transfer. Emergency department physicians and QMPs may consult with the patient's primary care physician or other physician who is treating the patient for information and guidance so long as the MSE is not delayed while awaiting physician response.

Location of MSE

The Hospital may move the patient to other Hospital-owned facilities that are on-campus or contiguous to the Hospital in order to access appropriate services as part of the MSE or subsequent stabilizing treatment. For example, all pregnant women may be directed to the labor and delivery area of the Hospital (whether or not that area constitutes a Dedicated Emergency Department). The Hospital may deliver emergency services in areas of the Hospital that are also used for other inpatient or outpatient services. However, movement of the patient to other Hospital-owned facilities on the campus or contiguous to the campus during the MSE process may only occur when these three conditions are satisfied:

- All persons with the same medical condition are moved to this location regardless of their ability to pay for treatment,
- There is a bona fide medical reason to move the patient, and
- Qualified medical personnel accompany the patient.

Such movement does not constitute a transfer. Patients should not be moved to off-campus departments of the Hospital in the course of the MSE. Note that it is not appropriate to move a patient to a physician office, even if on campus, for completion of the MSE or stabilizing treatment.

Who May Perform MSE

A Medical Screening Examination may be performed by an emergency department physician, another physician, or a non-physician practitioner who is qualified to conduct such examination ("Qualified Medical Personnel" or "QMP") and approved by the Hospital's governing board:

a. Medical Screening Examinations must be performed by an emergency department physician, another physician or a non-physician practitioner who is qualified to conduct such examination.

b. A qualified medical person may conduct the Medical Screening Examination provided the individual is:

   i. Determined qualified by Hospital medical staff bylaws, rules and regulations which are approved by the Hospital's Board of Trustees or other governing body, and

ii. Functioning within the scope of his or her license and in compliance with State law and applicable State nurse and medical practice acts.

c. When non-physician personnel perform Medical Screening Examinations, the Hospital's Governing Body and the appropriate medical staff committees should approve specific screening protocols that outline the examination and/or diagnostic work-up required to determine if an Emergency Medical Condition exists. These protocols will normally be complaint specific and will be limited to those presenting complaints that lend themselves to screening by such non-physician personnel.

d. The competencies for any non-physician personnel performing Medical Screening Examinations should be documented and validated by a qualified physician. There should also be an education plan for measuring and developing core competencies in medical screening.

e. Hospitals must establish a process to ensure that an emergency department physician examines all patients whose conditions or symptoms require physician examination.

f. Hospitals must establish processes to ensure that 1) an emergency department physician on duty is responsible for the general care of all patients presenting themselves to the emergency department; and 2) the responsibility remains with the emergency department physician until the patient's private physician or an on-call specialist assumes that responsibility, or the patient is discharged.

A. **Results of MSE; Additional Obligations; Stabilizing Treatment.**

0. **Results of MSE and Attendant Responsibilities**

In general, if the physician or other QMP performing the MSE determines that the individual does **not** have an Emergency Medical Condition, then the Hospital's EMTALA obligations to that individual cease. The Hospital may proceed to collect financial information and make financial arrangements for treatment.

If the MSE reveals an Emergency Medical Condition, then the Hospital must provide stabilizing treatment within its capacity and capabilities (including on-call physician services and ancillary services) necessary to stabilize the patient or must appropriately transfer the patient to another facility. Admission as an inpatient may be required as part of the stabilizing treatment. Once a patient is admitted as an inpatient in good faith, EMTALA is satisfied; however, the Hospital continues to have responsibility to meet patient emergency needs in accordance with the Medicare Conditions of Participation.

The Hospital may not condition or appear to condition the provision of stabilizing

treatment on the patient's ability to pay. A patient should not be asked for payment until the patient has received the MSE and been stabilized, generally as part of the check out process when being discharged or in accordance with the Hospital's usual procedures regarding inpatients, if the patient is being admitted.

1. **Stable for Discharge**
   A patient will be deemed stable for discharge if the treating physician attending to the patient in the Hospital emergency department has determined within reasonable clinical confidence that the patient has reached the point where his or her continued care, including diagnostic work-up and/or treatment, could be reasonably performed as an outpatient or later as an inpatient, provided the patient is given a plan for appropriate follow-up care with the discharge instructions. With respect to an individual with a psychiatric condition, the patient is considered to be stable for discharge when the physician has determined that the patient is no longer considered to be a threat to him/her or to others. Note that this status does not necessarily require the final resolution of the medical condition underlying the Emergency Medical Condition. However, it is never appropriate to discharge to another Hospital's emergency department

2. **Transfer Requirements**
   If the MSE reveals an Emergency Medical Condition, the patient may only be transferred while the condition has not been stabilized if: (a) the physician has certified that the medical benefits to be received at another Hospital outweigh the increased risks to the individual (and, as the case may be, to her unborn child) or (b) the patient, or a legally responsible person acting on the patient's behalf, requests the transfer, after being informed of the Hospital's obligations under EMTALA and of the risks and benefits of the transfer, among other requirements. Patients should not generally be transferred to a lower level of care (for example, patients should never be transferred to a physician office).
   For a complete description of transfer requirements, please see Policy SF 903 (EMTALA – Transfers).

B. **Special Circumstances: Ambulances**.

0. A Hospital-owned ambulance is considered "Hospital Property" regardless of its location for purposes of determining whether an individual present on Hospital Property requests emergency medical treatment (or such a request is implied).

1. An individual being transported by ambulance (other than an ambulance owned or operated by the Hospital) is not considered to have arrived requesting treatment until they reach the Hospital Property, even if the ambulance personnel are in electronic or telephonic with emergency department personnel.

2. A Hospital may deny access to patients when it is in "diversionary" status because it does not have the staff or facilities to accept any additional emergency patients at that time. Hospitals may not divert on a case-by case basis, but may only divert

when on formal diversionary status. However, if an ambulance disregards the Hospital's instructions regarding diversion and brings the individual to the Hospital, the individual has come to the Hospital, and the Hospital's EMTALA duties are triggered.

3. When helicopters and ambulances not owned by the Hospital enter Hospital grounds for the sole purpose of conveying a patient to another vehicle for transport to another Hospital, EMTALA obligations are not triggered **unless** the ambulance or helicopter crew requests assistance with the management of a patient. If such assistance is requested, the Hospital must meet all EMTALA obligations to the patient for whom assistance was requested.

C. **Special Circumstances: Withdrawal of Request for Examination.**

0. If a patient withdraws his or her request for examination or treatment, an appropriately trained individual from the emergency department staff should discuss the medical issues related to a voluntary withdrawal. In the discussion, the emergency department staff member should:

. Offer the patient further medical examination and treatment as may be required to identify and stabilize an Emergency Medical Condition;

a. Inform the patient of the benefits or the examination and treatment, and of the risks of withdrawal prior to receiving the examination and treatment; and

b. Use reasonable efforts to get the patient to sign a form indicating that the patient has refused the recommended examination and/treatment. The form should contain a description of risks discussed and of the examination and/or treatment that was refused.

1. If a patient leaves the Hospital without notifying Hospital personnel, this should be documented. The documentation must reflect that the patient had been at the Hospital and the time the patient was discovered to have left the premises. Triage notes and additional records must be retained. The patient should still be included in the Central Log, with documentation that the patient left without notification.

D. **Special Circumstances: When MSE Is Not Required**

0. No MSE is required if a patient presents to the DED and requests **solely** one of the following preventative services: immunizations, allergy shots, or flu shots. However, Hospitals should be cautious of this exception as it must be clear to all involved the precise nature of what is being requested.

1. No MSE is required if law enforcement brings an individual requesting only a blood alcohol test and no other requests are made or implied. Hospitals should be cautious as a request for clearance for incarceration would require an MSE, as would a patient for whom law enforcement was requesting only a blood alcohol test but it would be apparent to a prudent layperson that the individual has sustained

injuries or been involved in an accident such that he should be examined for the presence of an Emergency Medical Condition (must provide such patient with an MSE).

2. Off-campus facilities that do not meet the definition of Dedicated Emergency Departments must have written policies and procedures for appraisal of emergencies and provision of initial treatment and referral in accordance with the Medicare Conditions of Participation. EMTALA does not apply in such situations.

REFERENCES:

Social Security Act, Section 1867 (42 USC §1395dd) Examination and Treatment for Emergency Medical Conditions and Women In Labor
CMS State Operations Manual, Appendix V – Interpretive Guidelines – Responsibilities of Medicare Participating Hospitals in Emergency Cases
42 CFR Part 482 Conditions of Participation for Hospitals
42 CFR 489.20 Basic Commitments
42 CFR 489.24 Special Responsibilities of Medicare Hospitals in Emergency Cases
The following Hospital-wide Risk Management EMTALA policies and procedures:
SF 903 EMTALA - Transfer Policy
SF 905 EMTALA - Signage Policy
SF 904 EMTALA - Central Log Policy
SF 907 EMTALA - Duty to Accept Policy
SF 906 EMTALA - Provision of On-Call Coverage Policy

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Attachment 3

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	2012		2013		2014	
Facility	Visits	%	Visits	%	Visits	%
TriStar Centennial Med Cntr	1,007	1.4%	1,145	1.6%	1,200	1.5%
Macon Co Gen Hosp	1,128	1.6%	1,130	1.6%	1,077	1.4%
Saint Thomas Midtown Hosp	1,164	1.7%	1,046	1.5%	985	1.3%
Saint Thomas West Hosp	775	1.1%	643	0.9%	747	1.0%
Trousdale Med Cntr	717	1.0%	614	0.9%	711	0.9%
Univ Med Cntr	625	0.9%	607	0.9%	639	0.8%
TriStar Summit Med Cntr	606	0.9%	598	0.9%	604	0.8%
NorthCrest Med Cntr	523	0.7%	488	0.7%	367	0.5%
Nashville Gen Hosp	234	0.3%	277	0.4%	235	0.3%
TriStar Southern Hills Med Cntr	153	0.2%	154	0.2%	166	0.2%
Saint Thomas Rutherford Hosp	113	0.2%	103	0.1%	143	0.2%
TriStar StoneCrest Med Cntr	99	0.1%	92	0.1%	120	0.2%
Williamson Med Cntr	73	0.1%	72	0.1%	87	0.1%
Riverview Reg Med Cntr	28	0.0%	68	0.1%	76	0.1%
Univ of TN Med Cntr	63	0.1%	87	0.1%	68	0.1%
Cookeville Reg Med Cntr	49	0.1%	66	0.1%	62	0.1%
Gateway Med Cntr	65	0.1%	58	0.1%	53	0.1%
TriStar Horizon Med Cntr	37	0.1%	46	0.1%	45	0.1%
Erlanger Med Cntr-Baroness Hosp	40	0.1%	37	0.1%	35	0.0%
TriStar Ashland City Med Cntr	34	0.0%	27	0.0%	34	0.0%
Maury Reg Med Cntr	22	0.0%	17	0.0%	33	0.0%
LeConte Med Cntr	30	0.0%	36	0.1%	31	0.0%
TriStar Skyline Madison Campus	18	0.0%	26	0.0%	18	0.0%
Ft Sanders Reg Med Cntr	20	0.0%	11	0.0%	13	0.0%
Cumberland Med Cntr	7	0.0%	5	0.0%	12	0.0%
TriStar Centennial ED Spring Hill		0.0%	4	0.0%	11	0.0%
Jackson-Madison Co Gen Hosp	16	0.0%	8	0.0%	11	0.0%
Parkridge Med Cntr	8	0.0%	3	0.0%	10	0.0%
SkyRidge Med Cntr	4	0.0%	8	0.0%	9	0.0%
Blount Memorial Hosp	9	0.0%	3	0.0%	9	0.0%
CHI Memorial Hosp-Chattanooga	7	0.0%	4	0.0%	9	0.0%
Harton Reg Med Cntr	11	0.0%	8	0.0%	9	0.0%
CHI Memorial Hosp-Hixson	10	0.0%	3	0.0%	8	0.0%
DeKalb Comm Hosp	7	0.0%	10	0.0%	8	0.0%
Parkwest Med Cntr	7	0.0%	10	0.0%	7	0.0%
Highlands Med Cntr	9	0.0%	3	0.0%	7	0.0%
Marshall Med Cntr	19	0.0%	9	0.0%	7	0.0%
United Reg Med Cntr		0.0%	2	0.0%	7	0.0%
River Park Hosp	10	0.0%	2	0.0%	7	0.0%
Three Rivers Hosp		0.0%	1	0.0%	6	0.0%
Johnson City Med Cntr	5	0.0%	9	0.0%	6	0.0%
Erlanger East		0.0%	5	0.0%	6	0.0%
Southern TN Reg Health Sys-Winche	6	0.0%	2	0.0%	6	0.0%
Saint Francis Hosp-Bartlett	4	0.0%	4	0.0%	6	0.0%
Tennova H-care-Turkey Creek Med C	3	0.0%	6	0.0%	6	0.0%
Methodist LeBonheur Germantown	2	0.0%	4	0.0%	6	0.0%
Tennova H-care-Physicians Reg Med	2	0.0%	6	0.0%	5	0.0%
Henry Co Med Cntr	8	0.0%	4	0.0%	5	0.0%
Dyersburg Reg Med Cntr	3	0.0%	2	0.0%	5	0.0%
Stones River Hosp	1	0.0%	1	0.0%	5	0.0%
Southern TN Reg Health Sys-Pulaski	5	0.0%	4	0.0%	5	0.0%
Tennova H-care-Jefferson Memorial H	5	0.0%	7	0.0%	5	0.0%
Wellmont Holston Valley Med Cntr	7	0.0%	1	0.0%	5	0.0%

SUPPLEMENTAL #1
August 25, 2015
2:15 pm

	2012		2013		2014	
Facility	Visits	%	Visits	%	Visits	%
Saint Francis Hosp	1	0.0%	3	0.0%	4	0.0%
Wellmont Bristol Reg Med Cntr	2	0.0%	6	0.0%	4	0.0%
McKenzie Reg Hosp	2	0.0%	2	0.0%	4	0.0%
BMH-Collierville	3	0.0%	1	0.0%	4	0.0%
BMH-Memphis	2	0.0%	3	0.0%	4	0.0%
Cumberland River Hosp	4	0.0%	7	0.0%	4	0.0%
Wayne Med Cntr		0.0%	1	0.0%	4	0.0%
East TN Children's Hosp	5	0.0%	6	0.0%	4	0.0%
Heritage Med Cntr	8	0.0%	8	0.0%	4	0.0%
Takoma Reg Hosp	1	0.0%	1	0.0%	3	0.0%
Methodist Univ Hosp	4	0.0%	4	0.0%	3	0.0%
Volunteer Comm Hosp	6	0.0%	2	0.0%	3	0.0%
Jamestown Reg Med Cntr	1	0.0%	3	0.0%	3	0.0%
Roane Med Cntr	6	0.0%	6	0.0%	3	0.0%
Reg Hosp of Jackson	2	0.0%	6	0.0%	3	0.0%
Southern TN Reg Health Sys-Sewane	6	0.0%	2	0.0%	3	0.0%
Reg One Health	6	0.0%	3	0.0%	3	0.0%
Parkridge East Hosp	8	0.0%	4	0.0%	3	0.0%
Starr Reg Med Cntr-Athens	9	0.0%		0.0%	3	0.0%
Med Cntr of Manchester	5	0.0%	1	0.0%	3	0.0%
Saint Thomas Hickman Hosp	3	0.0%	4	0.0%	3	0.0%
Methodist Med Cntr of Oak Ridge	4	0.0%	5	0.0%	3	0.0%
Morristown-Hamblen H-care Sys	2	0.0%	2	0.0%	3	0.0%
Rhea Med Cntr	6	0.0%		0.0%	2	0.0%
Henderson Co Comm Hosp	2	0.0%	2	0.0%	2	0.0%
Methodist North Hosp	1	0.0%	1	0.0%	2	0.0%
Lauderdale Comm Hosp		0.0%		0.0%	2	0.0%
McFarland Hosp	11	0.0%	15	0.0%	2	0.0%
Southern TN Reg Health Sys-Lawren	8	0.0%	6	0.0%	2	0.0%
Tennova H-care-North Knoxville Med	3	0.0%	5	0.0%	2	0.0%
Livingston Reg Hosp	8	0.0%	3	0.0%	2	0.0%
Milan Gen Hosp	1	0.0%		0.0%	2	0.0%
Ft Loudoun Med Cntr	1	0.0%	3	0.0%	2	0.0%
Starr Reg Med Cntr-Etowah	1	0.0%		0.0%	2	0.0%
Tennova H-care-LaFollette Med Cntr	1	0.0%	1	0.0%	2	0.0%
Houston Co Comm Hosp		0.0%	2	0.0%	1	0.0%
Sweetwater Hosp Assn		0.0%	2	0.0%	1	0.0%
Bolivar Gen Hosp, Inc.	3	0.0%	2	0.0%	1	0.0%
Camden Gen Hosp	10	0.0%	4	0.0%	1	0.0%
BMH-Tipton	2	0.0%	2	0.0%	1	0.0%
Copper Basin Med Cntr	2	0.0%	1	0.0%	1	0.0%
Vanderbilt Stallworth Rehab Hosp	1	0.0%		0.0%	1	0.0%
Tennova H-care-Lakeway Reg Hosp	1	0.0%	3	0.0%	1	0.0%
Haywood Park Comm Hosp		0.0%	1	0.0%	1	0.0%
Lincoln Med Cntr	2	0.0%	2	0.0%	1	0.0%
Delta Med Cntr	2	0.0%	5	0.0%	1	0.0%
BMH-Union City		0.0%	2	0.0%	1	0.0%
Parkridge West Hosp	1	0.0%	5	0.0%	1	0.0%
Erlanger North Hosp	4	0.0%	1	0.0%	1	0.0%
Perry Comm Hosp, LLC	6	0.0%	6	0.0%	1	0.0%
Methodist South Hosp	2	0.0%	6	0.0%	1	0.0%
Sycamore Shoals Hosp	1	0.0%	2	0.0%	1	0.0%
Decatur Co Gen Hosp	2	0.0%		0.0%	1	0.0%

	2012		2013		2014	
Facility	Visits	%	Visits	%	Visits	%
Johnson Co Comm Hosp		0.0%		0.0%	1	0.0%
Jellico Comm Hosp, Inc.		0.0%	1	0.0%		0.0%
Claiborne Med Cntr	1	0.0%		0.0%		0.0%
Methodist Fayette Hosp		0.0%	1	0.0%		0.0%
Hardin Med Cntr	3	0.0%	2	0.0%		0.0%
Riverview Reg Med Cntr North	47	0.1%		0.0%		0.0%
Laughlin Memorial Hosp, Inc.		0.0%	3	0.0%		0.0%
Indian Path Med Cntr		0.0%	2	0.0%		0.0%
Franklin Woods Comm Hosp	3	0.0%	2	0.0%		0.0%
Le Bonheur Children's Hosp	1	0.0%	5	0.0%		0.0%
Tennova H-care-Newport Med Cntr	2	0.0%	2	0.0%		0.0%
Erlanger Bledsoe	4	0.0%		0.0%		0.0%
McNairy Reg Hosp	5	0.0%		0.0%		0.0%
Wellmont Hancock Co Hosp		0.0%	1	0.0%		0.0%
Pioneer Comm Hosp of Scott		0.0%		0.0%		0.0%
BMH-Huntingdon	1	0.0%		0.0%		0.0%
Humboldt Gen Hosp		0.0%	1	0.0%		0.0%
Gibson Gen Hosp		0.0%	1	0.0%		0.0%

SUPPLEMENTAL #1
August 25, 2015
2:15 pm

Attachment 4

SUPPLEMENTAL #1
August 25, 2015
2:15 pm

LIFEPOINT
HEALTH

August 24, 2015

Melanie Hill
Executive Director
Tennessee Health Services
And Development Agency
Andrew Jackson, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Re: Sumner Regional Medical Center – Certificate of Need to Open Freestanding Emergency Department

Dear Ms. Hill:

I am the Central Group Chief Financial Officer of LifePoint Health ("LifePoint"), the parent organization of Sumner Regional Medical Center ("SRMC"). This letter confirms that LifePoint will fund the project through available cash reserves at a cost of approximately $5,603,276 for SRMC's project to open a freestanding emergency department at its Sumner Station Campus. LifePoint is committed to make these funds available to SRMC.

Thank you for your attention to this matter.

Very truly yours,

Jonathan C. Wall
Chief Financial Officer, Central Group

SUPPLEMENTAL #1
August 25, 2015
2:15 pm

Attachment 10

SUPPLEMENTAL #1
August 25, 2015
2:15 pm

AUG 25 '15 2:15

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Sumner

NAME OF FACILITY: Sumner Regional Medical Center_____

I, Michael Herman, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

MH COO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 21st day of August, 2015, witness my hand at office in the County of Sumner, State of Tennessee.

Lisa R Webb
NOTARY PUBLIC

My commission expires October 23, 2018.

LISA R. WEBB
STATE OF TENNESSEE NOTARY PUBLIC
SUMNER COUNTY
My Commission Expires October 23, 2018

HF-0043

Revised 7/02

Supplemental #2
-COPY-

Sumner Regional Medical Center (Satellite Emergency Dept)

CN1508-029

August 28, 2015

Via Hand Delivery

Mr. Phillip Earhart
Health Services Development Examiner
Health Services Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

RE: Certificate of Need Application CN1508-029
Sumner Regional Medical Center (Satellite Emergency Department)

Dear Mr. Earhart:

Thank you for acknowledging receipt of our August 25, 2015 supplemental response for a Certificate of Need to establish a full service, 24 hour per day/7 day per week satellite emergency department. The proposed satellite emergency department is planned to be located at Sumer Regional Medical Center's existing outpatient facility known as Sumner Station located at 225 Big Station Camp Boulevard, Gallatin (Sumner County).

We received your request for supplemental information on August 28th. **Our responses, below, are provided in triplicate by the deadline of 12PM, Monday August 31, 2015.**

---

1. **Section C, Need, Item 4.A. and 4.B.**

   Your response to this item is noted. Using population data, please complete the following table and include data for each zip code in your proposed service area. If needed, 2010 ZIP Code data is available at the following US Census web address http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtmlbelow The following table may need to be modified by year to reflect the most current available population data.

   Response: Please see the completed table below. Population data by zip code is included for 2015 and 2020 from leading demographic provider, Nielsen Claritas.

Variable	*Zip Code 37066*	*Zip Code 37075*
Current Year (CY), Age 65+	*7,606*	*9,518*
Projected Year (PY), Age 65+	*9,341*	*11,679*
Age 65+, % Change	*22.8%*	*22.7%*
Age 65+, % Total (PY)	*18.4%*	*17.4%*
CY, Total Population	*47,157*	*63,055*
PY, Total Population	*50,795*	*67,031*
Total Pop. % Change	*7.7%*	*6.3%*
TennCare Enrollees	*n/a*	*n/a*
TennCare Enrollees as a % of Total Population	*n/a*	*n/a*
Median Age	*38.4*	*39.0*
Median Household Income	*$49,632*	*$63,464*
Population % Below Poverty Level	*12.9%*	*8.7%*

2. **Section C. Economic Feasibility Item 1 (Project Cost Chart)**

There must be an assessment of the space being used as the emergency department in the Project Cost Chart. It should reflect the fair market value of the space, or if applicable the lease cost over the life of the lease, whichever is higher. Also even if applicant has already paid for property/space, the applicant will need to assess the fair market value of the property/space and include it in Project Cost Chart unless it has been accounted for in a previously approved CON application. If applicable, please revise the Project Costs Chart. If there is an increase in the CON filing fee, please submit.

Response: The fair market value of the existing shell building at Sumner Station was recently determined to be approximately $144.48 per square foot. Therefore, the cost attributed to the proposed 10,210 square foot satellite ED is $1,475,159 (allowing for rounding). Please see **Attachment 1** for the revised Project Cost Chart.

The additional filing fee is calculated at a rate of $2.25/$1,000 of additional project cost. Therefore, an additional check in the amount of $3,319.11 is enclosed with this information.

SUPPLEMENTAL

We hope these responses are sufficient to deem this CON application complete. A notarized affidavit is provided in **Attachment 2**.

I may be reached by phone at 615-328-6695 or by email at Michael.Herman@LPNT.net to clarify any other matters.

Sincerely,

Michael Herman
Chief Operating Officer
Sumner Regional Medical Center

Attachments

Attachment 2

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Sumner

SUPPLEMENTAL

NAME OF FACILITY: Sumner Regional Medical Center

I, Michael Herman, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

COO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 28th day of August, 2015, witness my hand at office in the County of Sumner, State of Tennessee.

Lisa R Webb
NOTARY PUBLIC

My commission expires October 23, 2018.

LISA R. WEBB
STATE OF TENNESSEE NOTARY PUBLIC
SUMNER COUNTY
My Commission Expires October 23, 2018

HF-0043

Revised 7/02

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Tennessean (Name of Newspaper) which is a newspaper of general circulation in Sumner (County), Tennessee, on or before August 10 (Month / day), 2015 (Year), for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Sumner Regional Medical Center ("SRMC") (Name of Applicant) an existing acute care hospital (Facility Type-Existing)

owned by: Sumner Regional Medical Center, LLC with an ownership type of Limited Liability Company

and to be managed by: SRMC intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]: a full service, 24-hour-per-day/7-day-per-week satellite emergency department for patients who require care on an emergency basis. The project will be located at SRMC's existing outpatient facility known as Sumner Station, 225 Big Station Camp Boulevard, Gallatin, Sumner County, TN 37066. The project will be a satellite of the main emergency department at SRMC and will be under the sole administrative control of SRMC. It involves the renovation of 10,210 square feet of existing space. The total project costs are estimated to be $5,603,276.

Sumner Regional Medical Center is licensed by the Board for Licensing Healthcare Facilities as a 155-bed acute care hospital. The proposed satellite emergency department will provide the same full emergency diagnostic and treatment services as at the main hospital, utilizing the imaging center already located at Sumner Station for diagnostic services such as CT and MRI. The project does not contain major medical equipment, or initiate or discontinue any other health service, or affect any facility's licensed bed complements.

The anticipated date of filing the application is: August 14, 20 15

The contact person for this project is Michael Herman (Contact Name), Chief Operating Officer (Title)

who may be reached at: Sumner Regional Medical Center (Company Name), 225 Big Station Camp Boulevard (Address)

Gallatin (City)	TN (State)	37066 (Zip Code)	615 / 328-6695 (Area Code / Phone Number)

[signature] (Signature) 8-7-15 (Date) Michael.Herman@LPNT.net (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF POLICY, PLANNING AND ASSESSMENT
615-741-1954

DATE: September 30, 2015

APPLICANT: Sumner Regional Medical Center Satellite ED
225 Big Station Camp Boulevard
Gallatin, Tennessee 37076

CN1508-029

CONTACT PERSON: Michael Herman
555 Hartville Pike
Gallatin, Tennessee 37066

COST: $7,081,754

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

Sumner Regional Medical Center (SRMC) located at 225 Big Station Boulevard, Gallatin (Sumner County), Tennessee, seeks Certificate of Need (CON) approval to initiate a Satellite Emergency Department (ED) to be known as "Sumner Station", located on Big Station Camp Boulevard 6.9 miles west of the main campus. The proposed satellite ED would add four (4) treatment rooms in year one and a fifth (5^{th}) treatment room in year two. Due to area traffic patterns, easily accessible emergency services are not available to large portions of the community. The availability of a satellite ED service would alleviate the travel for these patients and improve accessibility to life-saving care.

This project involves the renovation of 10,210 square feet existing space at a cost of $288 per square foot.

Sumner Regional Medical Center is part of LifePoint Hospitals. LifePoint operates 63 hospitals in 20 states, including 10 in Tennessee.

The total project cost for the project is $7,081,754 and will be funded through cash reserves as documented in by a letter from the Chief Financial Officer in Economic Feasibility-2, Attachment C.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan.*

NEED:

The applicant's service area is Sumner County. Specifically, zip codes 37066 and 37075.

County	2015 Population	2019 Population	% of Increase/ (Decrease)
Sumner	175,794	187,398	6.6%

Tennessee Population Projections 2000-2020, 2015 Revised UTCBER, Tennessee Department of Health

SRMC currently serves approximately 38,000 emergency department patients annually in 26 treatment rooms (3 rooms were added in 2014). Planning guidelines recommend 1,500 per emergency treatment room per year. SRMC has operated at 100% or above for the last three years. The main ED consists of 26 treatment room and is not able to be expanded due to facility constraints. SRMC believes that in order to continue its mission to serve the community, a satellite ED is the most logical alternative. SRMC operates a full-service imaging center that provides x-ray, CT, mammography, ultrasound, coronary CTA, and PAD screening adjacent to the proposed site of the satellite ED location. Recent additions to the Sumner Station campus include the relocation of radiation therapy services from the main hospital campus, and the addition of PET/CT scanning services. When fully operational, the facility will operate as a Cancer Center.

The specific needs SRMC wants to focus on are as follows:

- The applicant seeks to meet the community demand for emergency room services that their use rate analysis suggest will occur over the next five years.

- Reduce the high utilization of the existing ED where utilization often exceeds 100%. The proposed satellite location would better distribute vital resources throughout the service area.

- Improve patient flow and operation efficiency by adding capacity to the healthcare delivery system, the proposed satellite ED will improve patient treatment times locally and at the main campus.

- Improve quality of care by bringing emergency service team members and their expertise closer to the patient; and

- Meet the needs of the aging population which is expected to increase by 22.3% by 2020. This increase is much higher than the statewide growth rate of 15.4% and indicates a likely demand for emergency services.

SRMC exclusively has based their need projections on the "redirection" of its own existing patients from the highly utilized main campus to the Sumner Station Satellite ED facility. Through this calculated "redirection", SRMC hopes to achieve its projected patient volumes based on its existing patients base, with little or no adverse impact on other existing providers.

The proposed project hopes to accomplish two goals; 1) decompress services limited by space constraints at the main ED and 2) bring services closer to the communities where SMRC's patients live and work.

SRMC projects 5,789 and 5,992 ED visits in year one and two of the project at the satellite ED and 35,453 and 36,694 visits at the main hospital ED.

Year One Projected ED Visits by Acuity Level

Level	Main Ed	Proposed Satellite ED
Level One	1,413	231
Level Two	1,597	261
Level Three	11,126	1,817
Level Four	10,999	1,7796
Level Five	10,318	1,685
Total	**35,453**	**5,789**

Utilization 2011-2013

	ER Rooms	2011 Presented	2011 Treated	2012 Presented	2012 Treated	2013 Presented	2013 Treated
Sumner Regional Medical Ctr.	26	37,552	37,252	37,851	37,413	38,596	38,262
TriStar Hendersonville Med. Ctr.	15	30,052	29,840	32,039	31,836	31,837	31,735

Joint Annual Reports of Hospitals, 2011, 2012, 2013, Tennessee Department of Health, Division of Policy, Planning, and Assessment

Note to Agency Members: TriStar Hendersonville has an 8-bed ED Department in Portland that is licensed under the main hospital. This facility was formerly Portland Hospital and reopened as Portland ED in 2014.

2013 Emergency Room Utilization

Facility	ER Room	2013 Total	Average Per Room
Sumner Regional Medical Ctr.	26	38,262	1,471
TriStar Hendersonville Med. Ctr.	15	31,735	2,115

Joint Annual Reports of Hospitals, 2011, 2012, 2013, Tennessee Department of Health, Division of Policy,

2013 Service Area Acute Care Hospital Licensed and Staffed Bed Occupancy

Facility	Licensed Beds	Staffed Beds	Licensed Occupancy	Staffed Occupancy
Sumner Regional Medical Ctr.	155	133	57.8	67.3
TriStar Hendersonville Med. Ctr.	110	97	51.2	58.1

Source: *Joint Annual Report of Hospitals 2013,* Division of Health Statistics, Tennessee Department of Health

TENNCARE/MEDICARE ACCESS:
SRMC participates in both the Medicare and Medicaid programs. The applicant contracts with United Healthcare Community Plan, AmeriGroup, TennCare Select, and BlueCare.

The applicant projects the satellite ED's gross Medicare operating revenues of $5,368,635 or 29.46% of gross operating revenues and TennCare revenues of $4,261,672 or 23.39% of total gross operating revenues.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:
The Department of Health, Division of Policy, Planning, and Assessment have reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine if they are mathematically accurate and if the projections are based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

Project Costs Chart: The Project Costs Chart is located in Supplemental 2. The total projected project cost is $7,081,754.

Historical Data Chart: The Historical Data Chart in located in Supplemental 1. The applicant reported 37,193, 38,403, and 37,147 visits to the ED in 2012, 2013, and 2014, with net operating revenues of $9,781,000, $10,193,000 and $10,229,000 each year, respectively.

Projected Data Chart: The projected Data Chart for the satellite ED is located in Supplemental 1. The applicant projects 5,789 visit in year one and 5,992 in year 2 with net operating income of $524,000 and $541,000 respectively.

The Projected Data Chart for Main ED is located in Supplemental 1. The applicant projects 35,453 and 36,694 visits in years one and two with net operating revenues of $908,000 for both years.

The Projected Data Chart for the entire hospital is also located in Supplemental 1. The applicant projects 18,018 and 18,739 admissions in years one and two with net operating revenues of $22,370,000 and $22,818,000.

SRMC's average current and projected gross charges per ED visit is provided below:

	Current	Year 1	Year 2
Gross Charge	$2,998	$3,148	$3,195
Adjustment	$2,419	$2,553	$2,595
Net Revenue	$579	$595	$600

The applicant considered renovating and enlarging its existing ED but it was not a viable option. SRMC owns the shelled in space where the proposed emergency department will be located. SRMC already operates a full service imaging center that will be utilized by the proposed ED. This is a much less costly alternative.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:
SRMC provides all managed care and provider contracts in Attachment C, Contribution to the Orderly Development of Health Care-1.

The applicant states this proposal will have a positive impact on the health care system through improved patient convenience. Additionally, SRMC proposes to "redirect" its existing patients from the main campus to the proposed satellite ED.; thus having little or no effect on the existing providers.

The applicant participates in numerous regional healthcare teaching and training programs. Detailed information is provided on page 43 of the application.

SRMC provides its current and projected staffing patterns in Exhibit 19. SRMC projects 49.9 FTEs for the satellite ED.

The applicant is licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and accredited by The Joint Commission.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan.*

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

   Not applicable.

2. For relocation or replacement of an existing licensed health care institution:

   a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

      Not applicable.

   b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

      Not applicable.

3. For renovation or expansions of an existing licensed health care institution:

   a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

      The applicant, using Tennessee Hospital Association data, emergency department visits have increased significantly in the service area in the past five years. Sumner County has increased 16,784 visits or a growth of 27.2%, and the zip codes (37066 and 37075) increased 8,535 visits or 20.2%. SRMC believes this growth will increase over the next five years.

   b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

      The applicant considered renovating and enlarging its existing ED but it was not a viable option. The existing ED is located in a basement area and cannot be expanded. Three ED rooms were added in 2014 and no other space is available. SRMC owns the shelled in space where the proposed emergency department will be located. SRMC already operates a full service imaging center that will be utilized by the proposed ED. This is a much less costly alternative.